



# **NATIONAL SOCIAL ENTERPRISE POLICY FOR IRELAND 2024-2027**

**PUBLIC CONSULTATION PROCESS**

**SUBMISSION FROM  
PHILANTHROPY IRELAND**

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# OPENING REMARKS

We would like to thank the Department of Rural and Community Development for the opportunity to comment on the forthcoming Social Enterprise Policy.

Philanthropy Ireland is an independent organisation providing a collective voice for philanthropy in Ireland. Our purpose is to advance knowledge, understanding and practice of philanthropy for social benefit.

We do this by engaging in 3 key pillars of activity:

- Promotion of the concept and value of philanthropy.
- Policy input to support the development of an enabling environment for philanthropy.
- Practice building capability in support of best practice in grant making.

Philanthropy Ireland's over 50 members provide grants and investment funding to a broad spectrum of over 5000 causes and initiatives, in Ireland and overseas. In doing so, they make a significant contribution to Irish and global society.

Philanthropy is quite simply, private giving for public benefit. It is a model of giving - usually in the form of grants or donations of money - that seeks to be planned, thoughtful and intentional in approach, taking account of those delivering social change and the communities they serve.

Philanthropy Ireland (PI) welcomes the development of the 2nd Social Enterprise Policy and acknowledges the work done by the department and the sector in this regard. We see it as a further significant step of support for a sector that plays a vital role in the delivery of services and support for social good while holding the potential for sustainable economic growth and promoting environmental sustainability. Social Enterprise is closely linked to and aligns with the key tenets of philanthropy.

Several of our members, including, Clann Credo, Community Finance Ireland, Oakfield Trust, Rethink Ireland, Social Entrepreneurs Ireland, and Social Finance Foundation, are all directly involved in supporting the work of social enterprises. In outlining our comments on the draft document, we acknowledge their expertise in commenting on the body of detail in the policy and endorse those inputs.

# POLICY OBJECTIVE 1: BUILDING AWARENESS OF SOCIAL ENTERPRISE

Noting the commitment to build wider public and institutional understanding of the Social Enterprise sector, we recommend consideration of the following:

- Social media and online campaign use of social media to raise awareness existing data highlights most users are female, which could unlock the potential to target this demographic.(i)
- Local Radio could be used for enterprise awareness, reaching communities directly and engaging specific demographics. With cultural relevance, it can provide an affordable, immediate, and accessible medium for targeted outreach. A large majority of Irish adults, 81%, listen to the radio on an average day. More than half of listeners 52.6% tune into their local or regional station. (ii)

We believe such actions could positively impact awareness raising and present an opportunity for youth engagement.

# POLICY OBJECTIVE 2: GROWING SOCIAL ENTERPRISE

Resourcing for sustainability and growth is a key challenge. It will be important to build an integrated suite of supports and interventions.

## **Philanthropy Supporting Social Enterprise**

*"Under the new policy, opportunities which leverage funding from philanthropic and/or corporate social responsibility sources should be pursued to support social enterprises."*

We note the reference to philanthropy in the document. Appropriate conditions and an enabling environment as stated in the [National Philanthropy Policy](#) are required to maximise the benefits of philanthropic funding. Inclusion and integration of elements of The National Philanthropy Policy, is vital, referencing in particular: where that policy states:

- 'Venture philanthropy is an approach to building stronger charities and social enterprises, by providing them with both financial and non-financial support, and "using all the tools in the philanthropist's toolbox"

and

- 'Such partnerships can generate additional funding to initiatives for community well-being such as social enterprises and social innovations.'





## POLICY OBJECTIVE 2: GROWING SOCIAL ENTERPRISE

While philanthropic backing could offer necessary resources such as risk capital for social enterprises, e.g., supporting early-stage initiatives that may struggle to attract conventional investment due to a lack of immediate profitability, and/or serving as a bridge between investors and social enterprises by utilising philanthropies established relationships, it needs to be driven and strategically supported. Such support must be proactively managed by building the capacity of social enterprises to strategically connect and engage with philanthropic investments.

### **A National Action Planning Programme**

Establishing a national programme centred on action planning for social enterprise enhanced by the involvement of seasoned and experienced practitioners with a proven track record can proactively support social enterprises in sustainability.

By tapping into the expertise of individuals who have successfully navigated the complexities of social entrepreneurship, the programme could ensure a transfer of invaluable knowledge and practical insights.

Aligning the programme with national development goals could underscore the potential to contribute to the growth and sustainability of the social enterprise sector, making it an impactful initiative for fostering positive change.(iii)

### **A National Investor Readiness Programme**

The '*OECD Discussion Paper on Investment Readiness Programmes*' highlights how investment readiness programmes are of paramount importance for social enterprises due to their multifaceted impact.

These initiatives serve as gateways for social enterprises to overcome financial barriers by:

- Providing guidance on diverse funding sources, ranging from grants to impact investments.
- Elevating the credibility of social enterprises by equipping them with the tools to present their impact, business model, and financials to potential investors.

Investment readiness extends beyond securing funds. It encompasses strategic business development, fostering workshops, and support that enhances overall business strategy, governance, and operational efficiency.

The emphasis on aligning business goals with social impact could also ensure that social enterprises not only attract funds but also contribute meaningfully to positive social and environmental outcomes.(iv)



## POLICY OBJECTIVE 2: GROWING SOCIAL ENTERPRISE

As discussed, earlier philanthropy uses a multifaceted approach that extends beyond financial supports to include networking with investors, partnerships and access to international approaches which could be leveraged to encourage solution focused long-term, strategic, and sustainable change.

### **Merging Social Enterprise Support Agencies**

At present over 40 support agencies are listed as offering Support/Advice on *gov.ie*. Merging some social enterprise support agencies into one coherent voice for the sector and its ambitions could contribute to:

- Enhanced Coordination and Collaboration
- Resource Optimization
- Increased Impact
- Streamlined Processes
- Improved Advocacy and Representation:

Consolidating support agencies into a unified voice has the potential for a more efficient and cohesive ecosystem for social enterprises that could allow for greater collaboration with other potential sources of support, including Government departments; grant-making networks; investor networks; and other relevant resource agents such as Education and Training Boards or Irish Local Development Network.

### **A Dedicated Legal Structure for Social Enterprises**

Appropriate legal structures are of particular importance. We endorse and support the research undertaken in the Rethink Ireland '*Research on Legal Form For Social Enterprise*' report, which recommends a series of actions to address the issue of how a dedicated legal form might benefit the sector.<sup>(v)</sup> We highlight these here:

- Develop model rules for all company forms to support social enterprises, including guidance on subsidiary and holding company models.
- Clarify funding eligibility requirements and dispel misconceptions, conducting ongoing awareness activities with public bodies.
- Facilitate a sector-wide discussion on the identity and principles of social enterprises for a shared understanding.
- Establish a standard or certification for social enterprises, especially those not suited for charitable status.
- Explore specific incentives and exemptions, including tax exemptions, applicable to social enterprises irrespective of legal form.
- Explore support models for early-stage and scaling social enterprises, considering incubator-type support and mechanisms for merging or amalgamating.



## POLICY OBJECTIVE 2: GROWING SOCIAL ENTERPRISE

- Investigate legal forms for social enterprises seeking private equity investment, such as Designated Activity Companies with share capital.
- Continuously monitor and explore the evolving needs of social enterprises based on their legal forms.

These recommendations could signal to stakeholders, including customers, investors, and partners, that the social enterprise is committed to balancing financial sustainability with a social or environmental purpose if specific requirements are met.

Consideration of legal models utilised internationally could provide key insights into tested models. For example, in the United Kingdom, the Office of the CIC Regulator of Community Interest Companies seeks to ensure effective regulation and provision of information, to support the growth of community interest companies in the UK. This was enabled through the creation of strong working relationships with other regulatory organisations including The Fundraising Regulator and The Insolvency Service to share and implement best practice across the government.(vi)

### **Community Based Audits**

A national programme of community-based audits could determine the current and likely future needs of communities and the social enterprises that operate within these communities, challenging assumptions and fostering social change. (vii)

## POLICY OBJECTIVE 3: CLIMATE ACTION CONTRIBUTION

Support for climate-related social enterprises, digital transition assistance, and training and mentoring programs will allow social enterprises to working towards goals set out in the Climate Action Plan 2023.

- **Climate-Related Supports** are essential to enable social enterprises to align their operations with environmental sustainability goals, fostering responsible business practices.
- **Digital Transition Support** is critical in the modern landscape, empowering social enterprises to harness the potential of digital technologies, enhancing efficiency, and expanding their reach.
- **Training And Mentoring Programs** are vital for skill enhancement and knowledge application, ensuring that social enterprises can adapt to evolving challenges, implement best practices, and maintain a positive societal impact.

Together, these forms of support could create a framework that equips social enterprises with the tools, skills, and awareness needed to thrive in an ever-changing socio-economic and environmental context.

## POLICY OBJECTIVE 4: NATIONAL AND INTERNATIONAL ENGAGEMENT

The promotion of collaborative information-sharing sessions with European Union entities and nations, to allow for insights from their social enterprise sectors is crucial for fostering a robust foundation of knowledge exchange and mutual growth while achieving international best practice into the Irish social enterprise landscape.

Social enterprises play a pivotal role in shaping North and South relations, a significance underscored by initiatives such as the Shared Island initiative. The interconnected nature of social enterprises transcends geographic boundaries, promoting collaboration and understanding between Northern Ireland and the Republic of Ireland.

Encouragement of cross-border networking within the social enterprise sector aligns with the broader goals of the Shared Island initiative, fostering cooperative relationships and strengthening ties across the island.



# POLICY OBJECTIVE 5: DATA COLLECTION AND SOCIAL IMPACT MEASUREMENT

'A key objective of the new policy should be to further develop national, regional, and local data availability relating to social enterprise in Ireland.'

We agree the collection and provision of timely, accurate, and in-depth data on social entrepreneurship and the broader non-profit sector is an essential element of infrastructural support for government, donors, and the broader social entrepreneurship community. Trusted data, research, and analysis about social entrepreneurship, the wider voluntary sector, and the individual organizations in it, are essential in supporting key decisions on the allocation of funds to ensure integrity in decision-making for both government, donors, and those in receipt of grant funding. This could be informed by the experience of

We recommend the ongoing collection of national baseline data, the implementation of impact measures, and staying attuned to emerging international data to stay informed on evolving trends.

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[i] [Digital Ireland 2023](#)

[ii] [IPSOS – IPSOS Summary Results](#)

[iii] [How Social Venture Grow: Understanding the Role of Philanthropic Grants in Scaling Social Entrepreneurship](#)

[iv] [OECD - Facilitating Access to Finance](#)

[v] [Research On Legal Form For Social Enterprises](#)

[vi] [Regulator of Community Interest Companies Annual Report 2022 to 2023](#)

[vii] [Community Auditing as community development Author - Carol Packham](#)



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