

RESEARCH PAPER



EU Funding Opportunities

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The paper is based on the workshop “Access to funding via EU Calls for Proposals” which was implemented under the Social Inclusive Finance Technical Assistance (SIFTA) managed by the EIB and funded by the European Union under the InvestEU Advisory Hub. It took place during the FEBEA Annual Conference in September 2024 in Dublin

The insights from the discussion and the presentations from Astrid Mechel, Panos Tournavitis (Cooperative Bank of Karditsa) and Giacomo Pinaffo (Fondazione Messina) are integrated in the background paper.

Introduction

The European Union (EU) has a set of policy objectives which are managed by the European Commission as the executive branch. Some of these policy objectives such as regional or social cohesion remain stable over the institutional cycles, while others are part of the strategic agenda set by the European Council. The current [Strategic agenda 2024-2029](#) is centered on **(1) a free and democratic Europe, (2) a strong and secure Europe and (3) a prosperous and competitive Europe.**

The European Commission issues grants through calls for proposals (CfPs) to support the achievement of these policy objectives. These grants are important for a number of reasons.

First, grants help to **implement policies** across all areas. Second, grants encourage **research and innovation** by providing financial support to academic institutions, private companies and social economy organizations among others. The competitive nature of the grants helps to stimulate progress in science and technology.

Third, grants also help to **encourage capacity building and collaboration**. EU grants usually require the partnership between entities from different member states. Fourth, grants help to address market failures and policy gaps that cannot be sufficiently resolved through market mechanisms or national policies.[1]

As already mentioned, the calls for proposals are competitive, which helps to increase the overall quality of the projects. The decisions are transparent and based on merit making the use of resources more accountable.

The evaluation reports typically include a summary of different criteria. A report might include criteria such as excellence, impact, or quality and efficiency of the implementation. For example, the evaluation of the quality and efficiency of implementation might contain the following assessment:

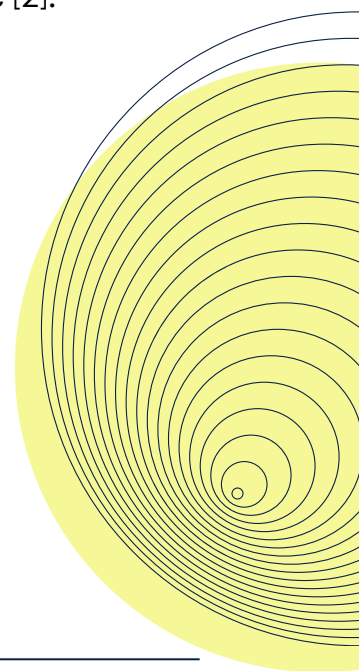
- The work plan is logical, credible and well-structured. The single tasks are logically arranged into individual work packages, the logic of the project enhances its effectiveness. This is very good.
- The high-quality work plan includes quantified information to allow progress monitoring. It reflects the proposed methodology very well. For example, tasks are well described, and their outputs are clearly defined in terms of deliverables, milestones, and timeframes. This is excellent.

[1] Grants are not provided in areas which are market-based and face no apparent market failures as they might lead to a market distortion.

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- However, it is not sufficiently explained why some deliverables are classified as sensitive and not public documents. This is a minor shortcoming.
 - Resource allocation accurately reflects the extent of the organisation's involvement in the project, other expenditures are planned realistically. However, the allocation of resources to WP5 is not well justified, since the capacities are overestimated compared to the planned tasks and compared to other WPs. This is a minor shortcoming.
 - Key risks are identified and assessed, and appropriate mitigation measures are proposed to a great extent. This is good. However, some risks have insufficient mitigation strategies associated with them. For example, in the case of the risks linked to insufficient data collected for developing the policy analysis, the mitigation measures are insufficiently described and not fully convincing. This is a shortcoming.

As outlined above, the use of CfPs to achieve policy targets **ensures a high level of transparency, accountability and effectiveness**. However, there are also valid criticisms of this approach which include the emergence of a “distinct ‘project world’, with specific standards, regulations, practical conventions and a particular rhetoric” (Büttner & Leopold, 2016), corruption risk (Fazekas & King, 2019) or a lack of effectiveness in certain cases (e.g. Barone et al., 2016).

The European Commission constantly evaluates the programmes to address these critical aspects. For example, the impact of the Social Business Initiative (SBI) was evaluated in detail with hundreds of interviews and the learnings were integrated in the development of the Social Economy Action Plan (Haarich et al., 2020). The European Anti-Fraud Office also investigates allegations and publishes results online [2].



[2] The report from the European Anti-Fraud Office shows the limited amount of fraud in these programmes: [The address market failures and policy gaps that cannot be sufficiently resolved thr](#).

Differences across Europe

Significant **regional differences** exist across Europe which have an impact on socio-economic conditions and policy outcomes. To illustrate these disparities, we discuss two key indicators: (1) **the percentage of people at risk of poverty or social exclusion and (2) life expectancy at birth**. These indicators provide insights into the quality of life and economic challenges faced by different regions

The first chart shows the percentage of persons who are at risk of “poverty or severely materially deprived or living in households with very low work intensity” with the following definition:[3]

- At risk-of-poverty are persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers). Material deprivation covers indicators relating to economic strain and durables. Severely materially deprived persons have living conditions severely constrained by a lack of resources, they experience at least 4 out of 9 following deprivations items: cannot afford i) to pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, vi) a car, vii) a washing machine, viii) a colour TV, or ix) a telephone. People living in households with very low work intensity are those aged 0-59 living in households where the adults (aged 18-59) work less than 20% of their total work potential during the past year.

The life expectancy at birth shown on the second map is also an interesting indicator. It is the “mean number of years that a newborn child can expect to live if subjected throughout his or her life to the current mortality conditions” as defined by Eurostat.[4] It **gives insights into living conditions as the life expectancy depends on income levels, educational attainments, urbanization, diet, health-care expenditure, physician density, hospital bed density, social spending and quantity of air pollutants among others** (e.g., Gracia-de-Rentería et al., 2023; Roffia et al., 2023).

If you compare both maps **it is striking that the risk of poverty and social exclusion is somewhat uncorrelated to life expectancy in some regions of Europe**. Insights such as these are then fed into policy priorities and specific regional funding opportunities.

[3] More information on the statistics can be found here: [\[1\] Grants are not provided in areas which are market-based and face no apparent market failures as they might lead to a market distortion.](#)

[4] More information on the statistics can be found here:
<https://data.europa.eu/data/datasets/ggs436vitu6qyfxholwa?locale=en>

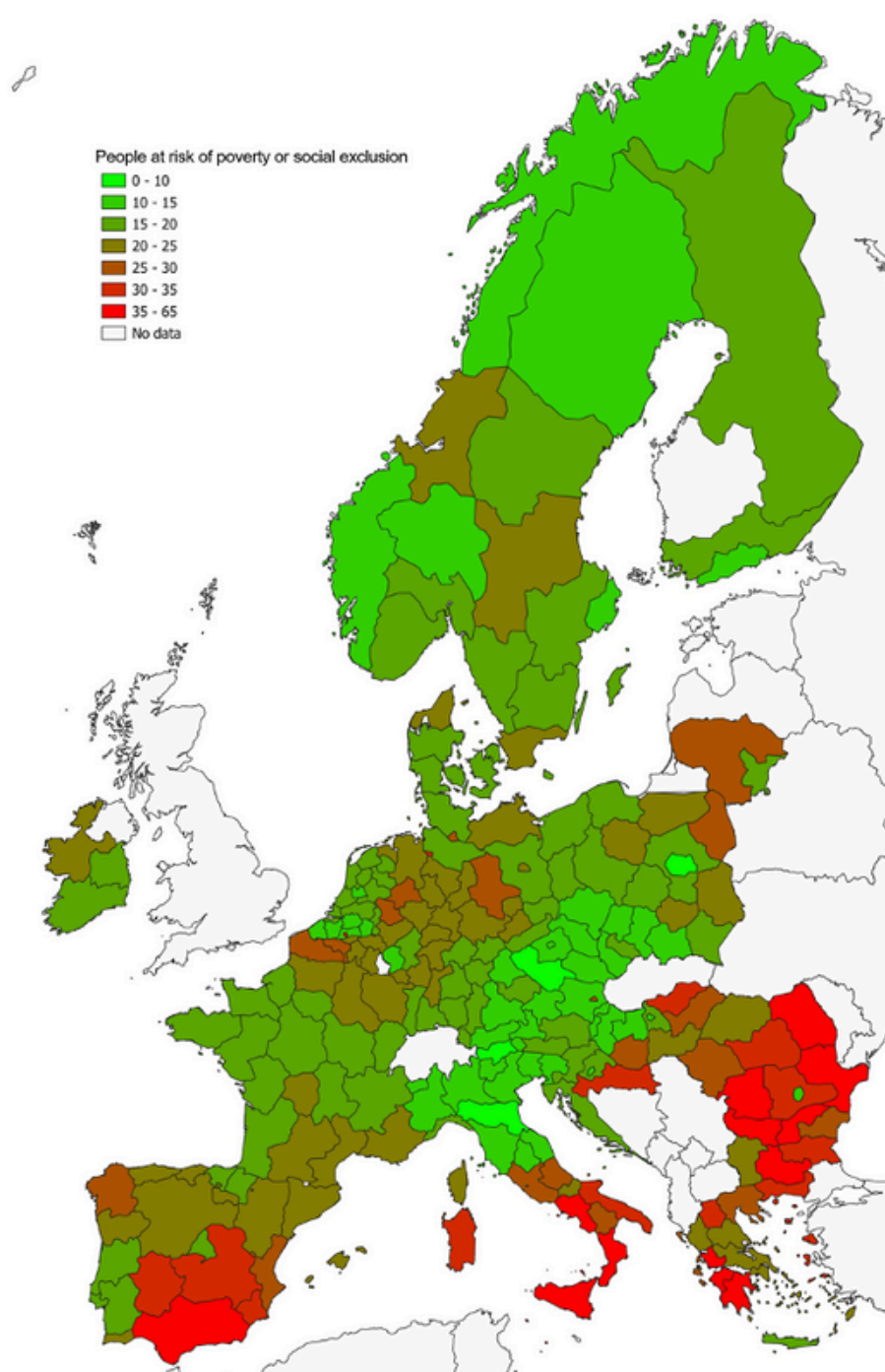


Figure 1: People at risk of poverty or social exclusion

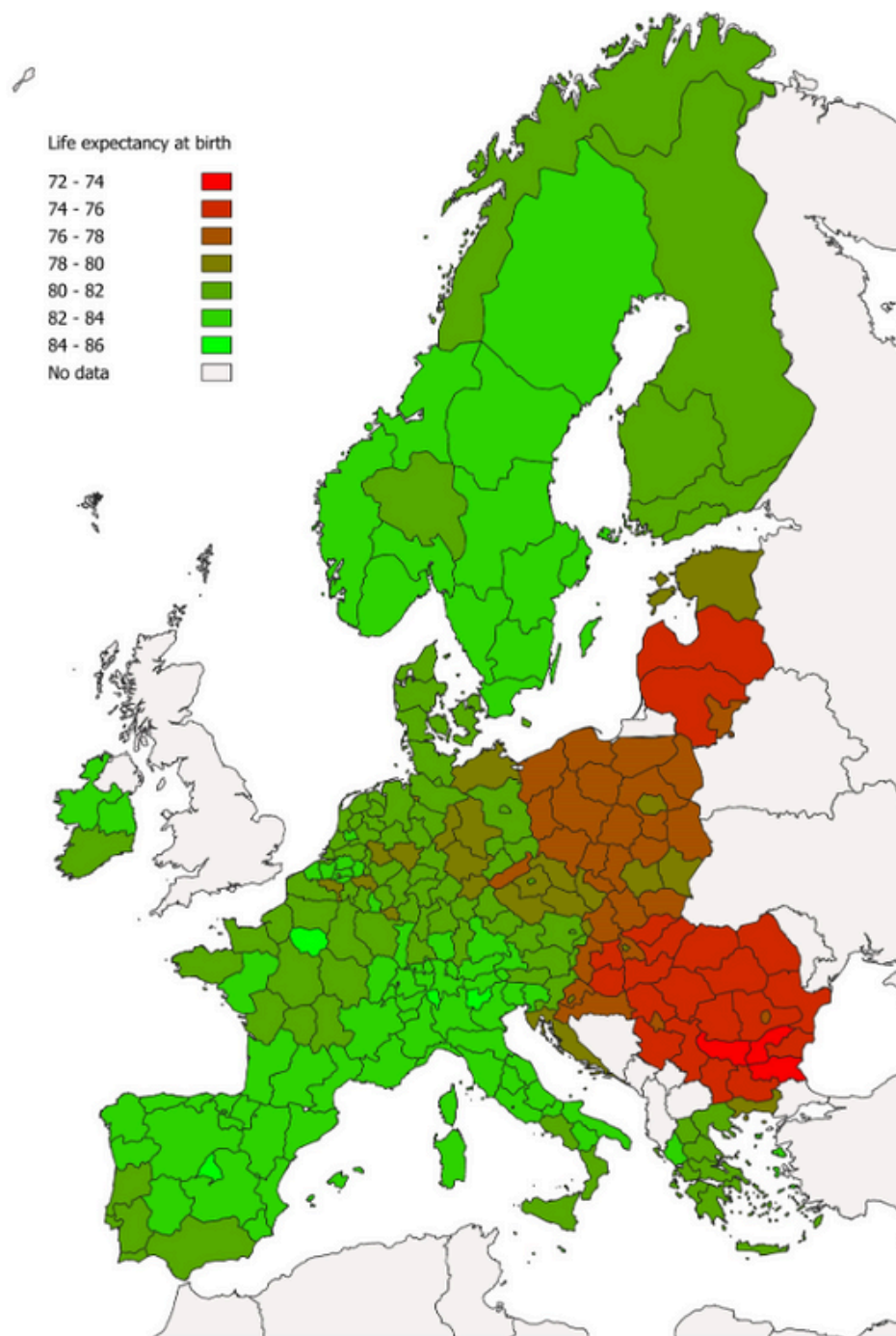


Figure 2: Life expectancy at birth in year

Overview of EU Funding Programs

Even experts have difficulties identifying EU funding opportunities. However, understanding some key aspects—such as forms of management, types of funding— as well as the procedural steps can help organisations effectively access and leverage these opportunities.

There are **three forms of management** which are used by the European Commission as the contracting authority.

Direct management:

20% of all funds are managed directly by the European Commission. This management involves all aspects of the grant management such as selection and monitoring.

Shared management: Most EU-funded projects are part of a shared management agreement. In this setting, the management of the programs is delegated to **national ministries or other public authorities** to have a more localized implementation. The European Social Fund Plus (ESF+) is a prominent example, although there are exceptions such as the direct management of the EaSI strand of the ESF+.

Indirect management:

There are also instances where other bodies or non-EU entities are managing the funding process. This would be the case for investment processes managed by the European Investment Bank or other institutions.

The second dimension covers the **types** of funding.

Grants which are provided for projects and multiple organizations usually require co-financing and **cover only part of all costs**, which is usually in the range of 50-85%. Calls for proposals (CfPs) outline the scope and criteria, ensuring that projects align with EU policy objectives.

Public contracts are implemented to buy services (e.g., studies, goods and services). The relevant information regarding the services and selection processes are outlined in a call for tender, which may vary in form, such as open invitations or restricted bidding.

Financing instruments are most often provided by the European Investment Fund. It includes guarantees, equity investments or loans and are often combined with technical assistance programmes such as the Social Inclusive Finance Technical Assistance ([SIFTA](#)) programme under the InvestEU Advisory Hub.



Prizes are awarded through competitions for exceptional solutions to specific challenges. For example, the EIC Prize on Blockchains for Social Good awarded €5 million to 5 projects. Another example is the European Social Innovation Competition which runs annual competitions and supports three winners with a prize from €25,000 to €75,000. The award criteria are publicly announced, with awards given to those who best meet the defined criteria.

The process



The publication of a call for proposal is often the end of a process which **started a few years before**.

In many cases, there is an action plan such as the Green Deal, the Social Business Initiative or the Social Economy Action Plan. These action plans often include **very specific item actions**. For example, the Social Business Initiative which was launched in 2011 contained the following key items:

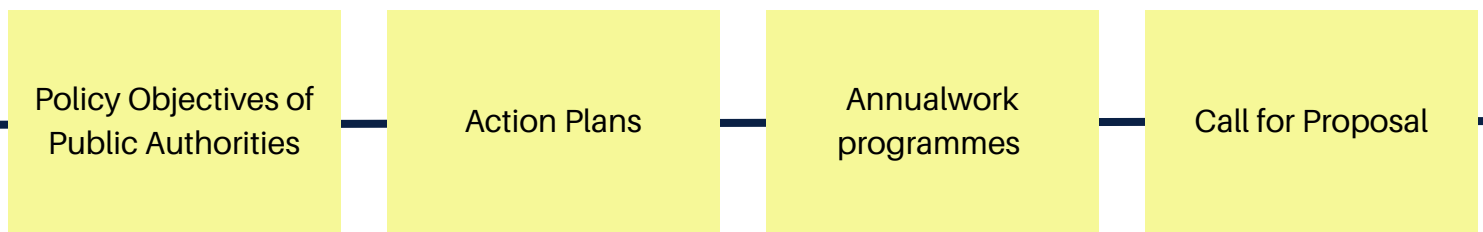
Key action No 3.: The Commission has proposed that a 90-million euro European financial instrument be set up to facilitate access to funding for start-up, development and expansion of social enterprises by way of investment in solidarity investment funds, which provide own-capital and debt-financing instruments, under the European Union Programme for Social Change and Social Innovation.

Key action No 4.: The Commission has proposed that an investment priority for 'social enterprises' be expressly introduced in the ERDF and ESF regulations from 2014²⁴ in order to provide a clear legal basis and enable the Member States and regions to include targeted activities in their ESF and ERDF programmes for 2014-2020.

The key actions from the action plans are then translated into annual work programmes which are the basis for the calls for proposals. One such annual work programme is shown in the table of contents below.

2.2 Call for proposals.....	15
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2.2.2. Call for proposals: Annual operating grants to support networks active in the areas of social enterprise finance and microfinance	16
2.2.2. Call for proposals: Call for proposals: EURES Targeted Mobility Scheme (TMS).....	16
2.2.4. Social innovation call for proposals: actions to develop impact performance	18

To wrap it up, the figure below shows the steps from the policy objectives to calls for proposals.



Navigating EU Funding Opportunities

The first step to navigate the EU funding opportunities is to have a clear understanding of the policy objectives to which your project or organisation contributes to. Examples of policy objectives which are common in the social economy can be:

- Funding of social economy
- Strengthening democracy through media investments
- Conserving biodiversity
- Support of local communities and regional development
- Supporting entrepreneurship

These are all policy objectives of the European Union and are therefore eligible for grants.

The EU Funding & Tenders Portal is the main information platform for funding and lists 40 programmes with funding opportunities for European organisations.[5] They might be a good starting point to identify funding opportunities.

Let us consider a few typical cases to analyse how to best find funding opportunities. These examples illustrate the potential strategic benefits of engaging with such calls. The potential strategic benefits include extended networks, access to new opportunities as well as enhanced visibility with EU institutions and within the European market.

Media investments

Let us assume that you are supporting media entrepreneurs in your region. The support of independent media is an important policy objective as it helps to increase the resilience of societies and supports democratic processes.

The best approach would be to follow the implementation updates of the [Media and Audiovisual Action Plan](#) which contain a list of available funding opportunities such as the ones below:

- A dedicated equity investment to foster European audio-visual productions and distribution strategies
- Developing an investment pipeline through capacity building for investors and investment readiness for companies
- Better access to finance, through loans and a pilot equity initiative
- Capacity building among investors and media

These funding opportunities are interesting for banks and financing institutions as they help to support media enterprises.

[5] The complete list can be found here: [\[2\] The report from the European Anti-Fraud Office shows the limited amount of fraud in these programmes: The address market failures and policy gaps that cannot be sufficiently resolved thr.](#)

Organic farming

Let us now consider that you are interested in initiatives supporting farmers to transition to organic farming. This is obviously a very large area, and you might want to focus on one of the axes as outlined in the Action Plan:

- **Axis 1:** Stimulate demand and ensure consumer trust
- **Axis 2:** Stimulating conversion and reinforcing the entire value chain
- **Axis 3:** Organics leading by example: improving the contribution of organic farming to sustainability

Much of the funding for the conversion is funded by the Common Agricultural Policy and is often provided as income support to farmers. For example, the Action Plan for Organic Farming foresees the following actions for Axis 1:

- promote organic farming and the EU logo;
- promote organic canteens and increase the use of green public procurement;
- reinforce organic school schemes;
- prevent food fraud and strengthen consumer trust;
- improve traceability;
- facilitate the contribution of the private sector.

Many actions focus on legislative frameworks such as mandatory criteria for food procurement or changes to the EU School Scheme. However, there is a need to fund research and innovations projects on ways to improve traceability.

TRUSTyFOOD aimed to bring the blockchain technology into the food supply chain and received €3 million in funding.[6] THEROS is another project which aims to use Earth Observation, photonics, Internet of Things and DNA authenticity methods to verify the labels of products.[7]

Regional development on the Romanian-Bulgarian border

Let us now consider the case that your project aims to contribute to regional development along on the Romanian-Bulgarian border. There are different kinds of EU funding available for projects working in this region. The [Cohesion Fund](#) supports investments in the field of environment and trans-European networks in the area of transport infrastructure. The [Just Transition Fund](#) would be an interesting funding opportunity but would not be available for projects on the border.

[6] For more details: <https://cordis.europa.eu/project/id/101060534>.

[7] For more details: <https://cordis.europa.eu/project/id/101083579>

The most interesting programme is most likely the [Interreg VI-A Romania-Bulgaria](#) which is financed by the European Regional Development Fund (ERDF) and is only eligible for organisations from both countries. There is also the [Interreg Danube Region](#) which covers all countries and regions along the Danube river.

Youth unemployment

Let us consider a final example that you are interested in EU funding for youth unemployment. A good option might be the European Social Fund Plus (ESF+) with a total budget of €142.7 billion in the period 2021-2027.

As already outlined above, there are different forms of management and activities.

[ESF Social Innovation+ initiative](#) has a focus on transnational projects promoting social innovation. There has been a call on “Social Innovations for the Upskilling of Vulnerable Youth, Especially Young People not in Employment, Education, or Training (NEETs)” in 2024 or a call on “European mobility and social inclusion for integrating disadvantaged young people not in employment, education, or training (NEETs)”.

The [EaSI strand](#) of the ESF+ has a budget of €762 million and has a focus on evidence-based policy-making and social experimentation and non-financial instrument activities related to the former Microfinance and Social Entrepreneurship Axis among others. We have already shown the annual work programme where the EURES Targeted Mobility Scheme (TMS) might be something of interest to social economy organisations.

The shared management of the [ESF+](#) means that there is no single database to access all funding opportunities. The ESF+ is implemented in partnership between the European Commission, national and regional authorities as well social partners and stakeholders. Youth unemployment is an important part of the ESF+:

Youth unemployment has remained persistently high since the 2008 economic crisis, further increasing during the COVID-19 pandemic. All Member States must allocate an appropriate amount of their ESF+ resources under shared management to targeted actions and structural reforms in support of youth employment. Member States above the EU-average rate of young people aged 15 to 29 not in employment, education or training (NEETs) for the years 2017-2019 should devote at least 12.5% of their ESF+ resources to youth.

[6] For more details: <https://cordis.europa.eu/project/id/101060534>.

[7] For more details: <https://cordis.europa.eu/project/id/101083579>

Application and Evaluation Process: Observations and recommendations

Strengths of projects

There are many books and guides on how to write a successful proposal. In general, it is important to **align the project proposal with EU policies** and explain why the project delivers additional value beyond the current status quo.[8]

Each project proposal has its own strength which we have highlighted selectively below. However, it is **unlikely to maximise every aspect as we might need to consider trade-offs**: new approaches usually increase the uncertainty of the outcomes.

Some focus on the innovation aspect and try something new or experimental. Examples can be new data sources, new governance and ownership models or the combination of farming and integration in an urban context. We can thus refer to a **“first of a kind”** approach. These approaches are inherently risky and the outcome might not be entirely predictable.

Other projects focus on **new partnerships** by bringing together organizations from different fields. That could be a combination of unions, banks and social economy organisations. Examples could be projects combining biodiversity and employment or elderly care and integration.


Still others have a **long track record of executing projects**. These projects can be expected to deliver the project as outlined in the proposal with little uncertainty towards the outcome.

Roles and Responsibilities

While some projects tend to work together effectively and efficiently, some projects have been found to be dysfunctional.[9] That is a reason why it is important to **carefully select partners in consortia**.

[8] Please refer to our other FEBEA publication on impact measurement and management for in-depth discussions of the terminology and approaches.

[9] Research which covers the relationship in projects include for example Parola et al. (2022) which analysed the relationship between academics and practitioners in projects. Giulia Parolas has also written a book titled “Collaborating in European Projects: Many Hands (Don't Always) Make Light Work” which outlines good practices for projects (Parola, 2023).



There are various roles in a consortium which are always led by a consortium leader. In general, organisations are being invited for several reasons.

- **Implementation of the activities:** These partners implement the activities which are proposed for the project and can be social economy organisations or companies.
- **Outreach activities:** Projects usually include some element to communicate and disseminate the results and learnings. This is usually a role which can be done by networks or membership organisations.
- **Social impact measurement:** In the social economy, there is often a role dedicated to measuring the social impact of the activities which is often done by consultancies or universities.
- **(Action) Research:** In many cases, especially those with a research approach, there is a role for universities and research institutions to conduct research and publish the findings.
- **Coordination:** The consortium leader is also responsible for coordinating the project and making sure that progress is made including the reporting, administrative and financial management of the contract. The leader is also the main contact person for the contracting authority. This role is usually filled by established and experienced organisations.

Understanding the Evaluation Process

The European Commission often employs **external experts to evaluate** the proposals. This is useful as it helps to improve the decision-making process and allocate the resources on the merits of the projects.

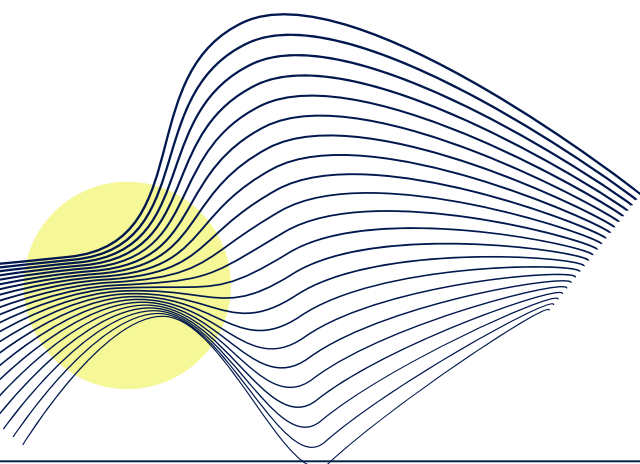
A typical award criteria table will be similar to the one on the next page, where the evaluators score projects across various dimensions.

Award criteria	Minimum pass score	Maximum score
Relevance	17	25
Quality — Project design and implementation	17	25
Quality — Project team and cooperation arrangements	14	20
Impact	22	30
Overall (pass) scores	70	100

For example, relevance consists of the following aspects which are being considered in the evaluation process:

clarity and consistency of project, objectives and planning; extent to which the proposal matches the themes and priorities and objectives of the call; European/trans-national dimension; possibility to use the results in other countries; potential to develop mutual trust/cross-border cooperation; the extent to which the project identifies and actively plans to deliver product or service at European level; the extent to which the proposal is planning to use in new context existing knowledge and experience at EU/national level or to propose innovative approaches.

As evaluators assess a large number of proposals, creating a competitive environment among applications, it is crucial to ensure that the **text of the application is concise and clear**. In addition, the proposal should provide all requested information in each section of the call, following the given instructions.



Conclusions

There is obviously a pull effect of public funding. It is not directly relevant, but the following quote from a book about the Belt & Road Initiative “China and the Project of the Century” by Jonathan Hillman published in 2020 shows the implication of alignment with public funding:

“The BRI has become more than a policy – it is a brand. With such large amounts of investment available, central and local governments, private firms and nonprofit organizations are incentivized to repackage their work around the BRI. Over one hundred Chinese think tanks are dedicated to studying it. In China, there are “Belt and Road” fashion shows, music festivals, and art exhibits. Belgrade’s annual marathon was added to the Belt and Road Marathon Series. This race was different. “It does not focus on the competition level, but more on friendship, cultural exchange and promoting economic growth,” an organizer explained.”

There are obviously downside risks when organizations align themselves with very specific funding programs.[10]

Some organizations **go from project to project without a long-term strategy**. That is something which should be **avoided**. Therefore, project proposals typically include a **section dedicated to the long-term sustainability of the project activities**. That could be a revenue model or other realistic long-term funding streams such as membership fees, grants or public contracts.

There is an opportunity to **better anticipate future calls for proposals** given that there is enough policy understanding in terms of action plans and annual work programmes.

At its network level, FEBEA identifies the most relevant calls for its members as they are published on the EU Funding and Tender portal and shares this information through its newsletters. It can also organise online information sessions for the calls which fit with the core activities of its members, mainly under the ESF+ and InvestEU.[11]

[10] There has been a debate about the role of funding for social economy organisations in the past. For example, there was a question if social economy organisations should take grants from weapon manufacturers or tobacco companies. The discussions centered on conflicts of value, public perception and research integrity among others.

[11] FEBEA also offers consultation and support to its members in this process and is open to partnerships that could add value to the applications.

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EUROPEAN FEDERATION OF ETHICAL AND
ALTERNATIVE BANKS AND FINANCIERS

FÉDÉRATION EUROPÉENNE DES FINANCES
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FEBEA - the European Federation of Ethical and Alternative Banks and Financiers - is a non-profit association based in Brussels. It gathers 34 financial institutions whose aim is to finance social and solidarity economy (SSE) and projects with social, environmental and cultural value in 17 European countries, serving more than 700,000 people.

Its objective is to support the exchange of experiences and promote cooperation between social economy and social finance practitioners.

Each FEBEA member is integrated in the SSE Sector in its country, focusing on mobilising savings and equity from responsible citizens and using these funds to finance sustainable development and local communities. FEBEA is member of GSEF, the European Commission's expert Group on Social Economy and Social Entrepreneurship and of Social Economy Europe, the main European network of social economy practitioners.

FEBEA members finance:

- The creation of jobs, social employment in particular;
- Social enterprises and social economy;
- The non-profit sector and participatory economics;
- New forms of social entrepreneurship;
- People or groups of people who are victims of social or professional exclusion or are unbanked;
- Sustainable development: renewable sources of energy, organic farming, biodiversity, etc.;
- International solidarity and fair trade.

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