

Ministry of Welfare
Republic of Latvia

Latvian Social Enterprise Law and Support to Social Enterprises (*Financial Support*)



Ministry of Welfare
Republic of Latvia

ESF Project “Support for Social Entrepreneurship”



Ministry of Welfare
Republic of Latvia

Project Information

- **Legal basis:** Cabinet of Ministers Regulation No 467 of 11/08/2015, Implementing rules for the measure 9.1.1.3 "Support for social entrepreneurship" of the specific objective 9.1.1 "To increase the inclusion of disadvantaged unemployed in the labor market" of the Operational Program "Growth and Employment"
- **Total funding:** **14.9 million euro**, of which 85% from the ESF, and 15% from the national budget
- **Responsible institution:** Ministry of Welfare
- **Delivery partner:** Joint Stock Company Latvian Development Financial Institution "ALTUM"
- **Project duration:** 2016 – 2022



Ministry of Welfare
Republic of Latvia

The Purpose of the Project

- **To identify and verify the optimal solutions for creation and development of social enterprises**

including support to work integration, to increase employment opportunities for disadvantaged unemployed persons, persons with disabilities and persons with mental disorders



Ministry of Welfare
Republic of Latvia

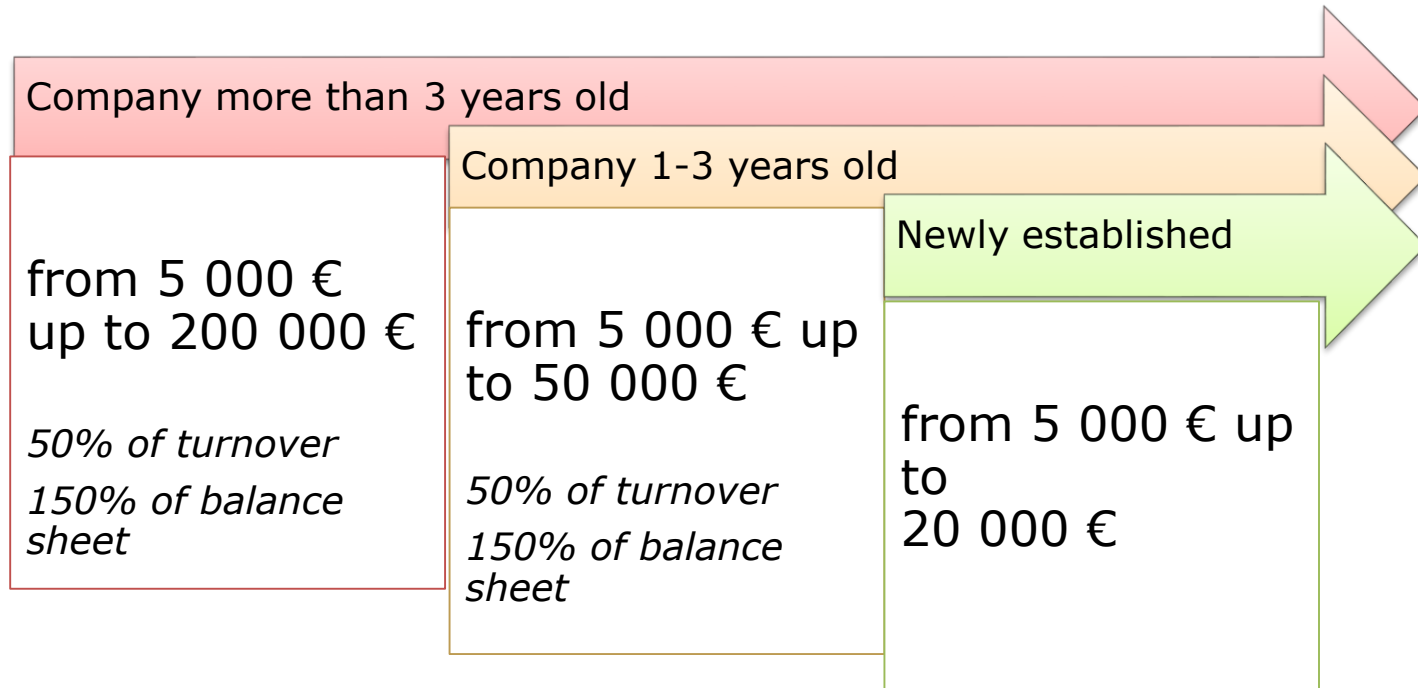
The Planned Activities

- **Awareness raising measures**
- **Development of support system for social enterprises:** creation of methodology, training of staff, prototype of social enterprise register
- **Promotion of start-up social enterprises** – competition of business ideas, counselling of start-ups
- **Financial support to social enterprises** – grants for implementation of business plans
- **Intermediate evaluation of implementation results** – to identify success stories and possible problems and to make recommendations for future support activities



Altum grants

(see the infographic attached)
[Financial support for SE.pdf](#)



The company shall finance at least 10% of the project costs



Ministry of Welfare
Republic of Latvia

Expenses eligible for grants

- **Capital expenses** (except for land, real estate and infrastructure)
- **Wage subsidy** for employees of target groups and other employees
- Expenses for **training** and consultations
- Other **working capital** expenses



Ministry of Welfare
Republic of Latvia

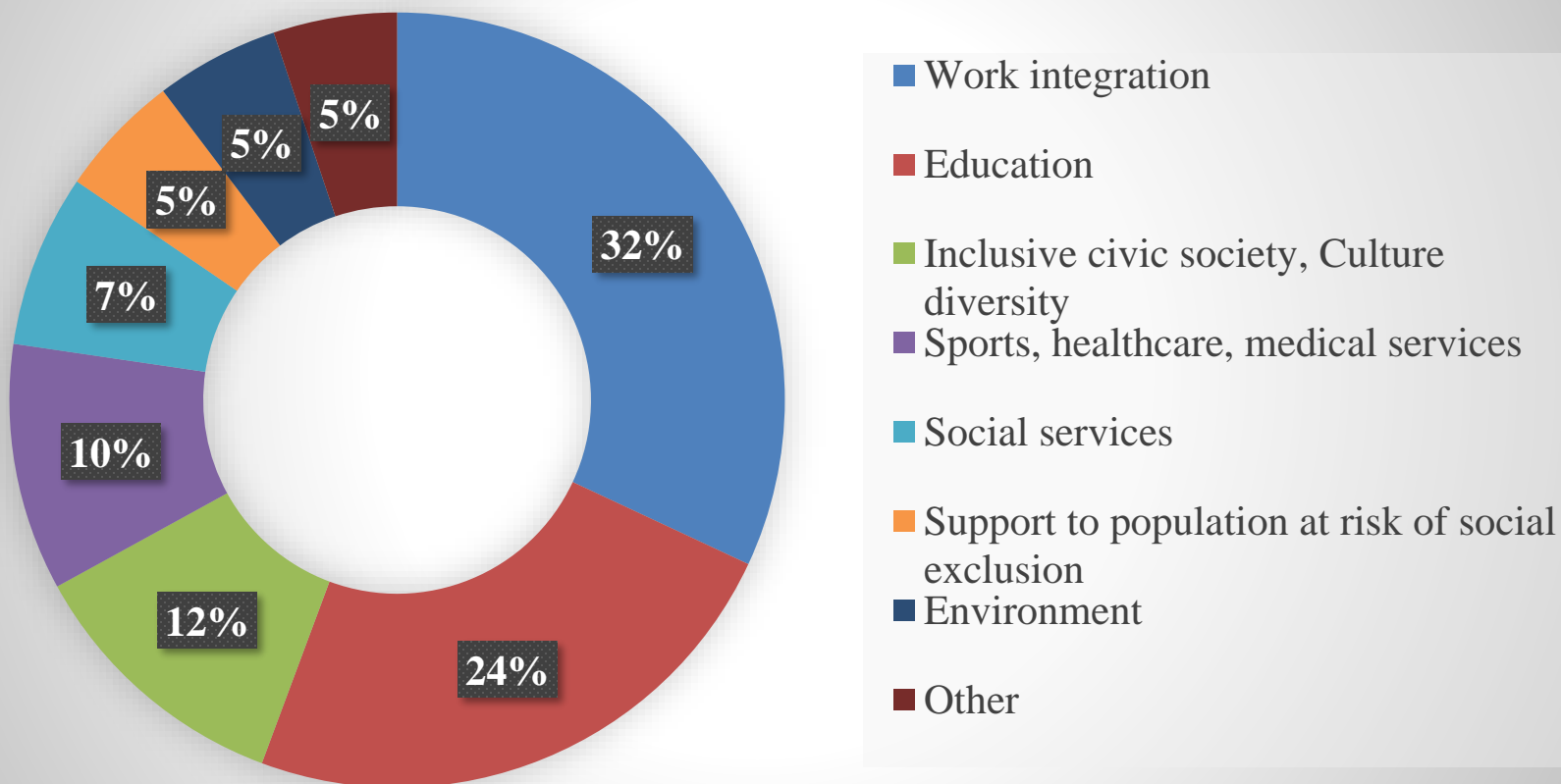
Statistics as at 01/04/2020

Indicator	Number	Amount in thous.EUR
Pilot project – participants (registered before 01/04/2018)		
MoW approved the status of participant, total	98	–
incl.: companies	48	–
NGOs	50	–
Social Enterprise Law – social enterprises (registered after 01/04/2018)		
MoW approved the status of social enterprise	97	–
Status declined, or application withdrawn	32	–
Altum Grants		
Applied for Altum grant	155	–
Grants approved	71	4 323
Grants declined, or cancelled by the applicant	72	–
Grant Agreements signed	66	4 042
Of them, with social enterprises	33	1 428
Grants disbursed	55	2 890



Labklājības ministrija

Social enterprises (97 companies) by area of activity (% from total number of companies) as at 01/04/2020

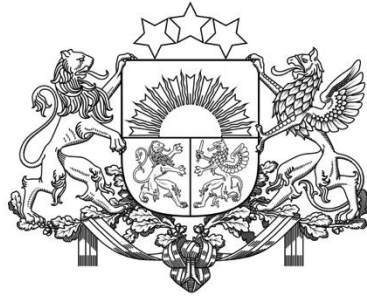




Ministry of Welfare
Republic of Latvia

Lessons learnt so far

- There is a **high interest** about the social entrepreneurship from the Latvian companies and NGO sector
- The **Altum grant programme helps to attract more new companies** to become social enterprises
 - At the same time, **there are companies mainly interested in getting the grant**, not so much in making the social impact
- More efforts needed to increase visibility of the social enterprises and their importance for the economy and society
- Research/evaluation needed (planned for 2020-21) to make, both, a quantitative and qualitative assessment of the sector, its impact made, and the legal framework



Ministry of Welfare
Republic of Latvia

Thank you!
Questions?

www.lm.gov.lv

E-mail: registracija.su@lm.gov.lv