

# RaiSE Good Practices Guide



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## Introduction

How can Social Enterprises be supported in an effective way by public or private institutions? What are good practices for such support mechanisms within the RaiSE territories? What do you need to know about the context of these initiatives before you try to establish a similar approach with your region?

These are the underlining questions, that led the identification and analysis of the practices collected in this document with the aim to inspire and inform about possible actions. So, what is a good practice in the context of the RaiSE project? We defined a good practice as a policy instrument or support infrastructure for a social enterprise that has proven to be working well and being able to generate good results for the intended beneficiaries. It is a successful intervention that has been tested and validated in a broad sense. Given its positive impact on a single social enterprise or the social enterprise sector as such, other European regions with a similar SE environment could consider adopting an approach alike or similar to it.

In order to achieve this aim, the collected information covers a clear definition of the problem the intervention is tackling, a description of the intervention logic and the impact it created, and last but not least the potential for transferability, which is crucial in this context.

The collected practices cover actions for building, maintaining and supporting regional networks (see Ateneus Cooperatius, Catalonia; Just Enterprise, Scotland; Partnership for Social Innovation, Örebro), financing SE activities (see Clann Credo, Ireland; MarketMate, Hungary) as well as other aspects like building international networks (see Aracoop Internacional, Catalonia), creating new ideas (The Caravan of Ideas, Örebro) or legal frameworks to increase the employment of vulnerable groups (Emilia-Romagna law 17/2005).

## First RaiSE Good Practice – ACCIÓ *Service “Aracoop Internacional”*



### Introduction of the instrument

“Aracoop” is a broad programme led by the Directorate-General for the Social Economy (Department of Labour, Social Affairs and Families of the Catalan Government) which aims to enhance the sustainability of the social and cooperative economy. This is achieved through support actions in the definition of their strategic approach and the improvement of their growth and internationalisation potential.

In particular, the focus of “Aracoop” (an acronym that can be translated to English as “now cooperate”) is to favour the growth of social enterprises, with expert advice and companionship in the different areas that contribute to enterprises competitiveness. The final goal is to have social enterprises that: are more professional in their management, are more innovative, start exporting their products or services and get better results in terms of invoicing, exportation and number of workers. Within “Aracoop” programme, ACCIÓ (Catalan Agency for Business Competitiveness) is responsible of the internationalisation projects for social enterprises, through the service “Aracoop Internacional”.

### Description of the problem tackled

The constant efforts to improve the rate of new social entrepreneurial activity have been unsuccessful: only 12,5% of the Catalan social enterprises were born in the last two years. Most social enterprises in Catalonia (more than 50%) are mature organisations operating for 10 years or more, which have proven resilient to the economic crisis. However, the new dynamics after the economic downturn have highlighted the need for accessing new markets and the revision of their business models in order to ensure sustainability. In fact, the main drawbacks that Catalan social enterprises identify are the harsh

conditions of the market (45% of them state that) and competitiveness in the market (40%). The service “Aracoop Internacional” was created to smooth these difficulties and to facilitate the internationalisation of social enterprises.

### **Specific objective & intervention logic**

The purpose of “Aracoop Internacional” is to carry out an internationalisation project for a social enterprise in a specific market, by introducing the enterprise in a new market or by deepening in the internationalisation strategy when the enterprise is already introduced in a market. The tool that ACCIÓ uses to reach this purpose are the 40 ACCIÓ’s Trade & Investment worldwide offices, which help Catalan enterprises to do business in 110 countries. ACCIÓ has an own expert team in each office that offers personalised consultancy services to Catalan enterprises and that acts as an extension of the company.

The intervention logic works this way: when a social enterprise shows an interest for internationalising, ACCIÓ’s expert consultants on social economy meet the manager and the export manager (if it exists) of the social enterprise to talk about the internationalisation strategy, to identify the best foreign markets for the company and to help them to prioritise markets. Sometimes, if the social enterprise already has in mind a specific market, the manager of the ACCIÓ’s Trade & Investment office in that market joins the meeting (via videoconference). Otherwise, the social enterprise has a virtual meeting afterwards with the selected ACCIÓ’s Trade & Investment office, to talk about a potential internationalisation project.

The internationalisation project is materialised in an Action Plan, that lasts 4 months and that may include one or more of the following services:

- Identification and selection of the most appropriate commercialisation channels.
- Elaboration of market studies.
- Research of distributors and partners in the new market.

- Detection of final customers.
- Staff selection in the chosen market.
- Enterprise implementation abroad.

The cost of the service “Aracoop Internacional” is estimated at 9.600 € per project: the labour cost per hour in ACCIÓ’s Trade & Investment offices is 80 €; and the total number of hours dedicated to each “Aracoop Internacional” project is 120 hours during 4 months.

Social enterprises don’t pay anything for this service: ACCIÓ subsidises the 75% of the total amount (7.200 €) and the Directorate-General for the Social Economy subsidises the 25% (2.400 €), with funds received from the Spanish Ministry of Labour and Social Security. The maximum number of enterprises that can benefit from this service is 20 per year, so the maximum annual total cost of the service is 192.000 €.

The service is for enterprises of the social economy based in Catalonia: cooperatives, foundations and associations with economic activity, labour societies, mutual societies, insertion companies, special employment centres and agricultural transformation societies. It is necessary that the applicant company has its product or service consolidated in the market and in a position to start an internationalisation project.

## **Impact created**

The service “Aracoop Internacional” started in November 2016. Since then, 22 internationalisation projects for social enterprises have been made: 14 until December 2017 and 8 since the beginning of 2018.

The projects have been focused in Latin America, Africa and European markets. Most of them have been about the identification and selection of commercialisation channels and distributors and the elaboration of market studies. Some of the projects have been devoted to the identification of European calls and the research of European funding, thanks to the special services in that field that ACCIÓ’s Trade & Investment office in Brussels provides.

## Why is this a Good Practice?

“Aracoop” programme positions social and cooperative economy as a cornerstone for the construction of a more social, democratic and inclusive economic model, through different tools, one of which is the service “Aracoop Internacional”, a pioneer service in helping social enterprises to open to the world. This Good Practice could be easily transferred to regions dealing with internationalisation of social enterprises, if they have worldwide offices like ACCIÓ has. However, even if regions don’t have this network of offices, the service could be boosted from external consultancy services.

Besides, one of the goals of RaiSE is to conduce to a better governance, engaging multiple stakeholders in policy development and implementation, and this is another reason to consider “Aracoop Internacional” a Good Practice:

- “Aracoop” programme exists thanks to the support and collaborative work of the main stakeholders of the social and cooperative economy (who participate in RaiSE too) and has more than one hundred collaborating entities: for example, local authorities, universities and business schools and chambers of commerce.
- “Aracoop internacional”, in particular, was born thanks to the need of coordination among two stakeholders that were dealing with social economy promotion (Directorate-General for the Social Economy and ACCIÓ), who realised that they would duplicate their services if they didn’t work together.

## “Success story”

### *Plataforma Educativa in Colombia*



*The social enterprise “Plataforma Educativa” used the service “Aracoop Internacional” to introduce in Colombia the project “Orientapro”, a technological solution to foster and promote career guidance based on skills. ACCIÓ’s Trade & Investment office in Bogotá identified and contacted potential local partners and governmental institutions, and arranged a schedule of visits in Colombia. Thanks to all this, the project “Orientapro” has achieved two pilot tests in Colombia, that may finish with a trade agreement. A second phase of “Aracoop Internacional” is in progress now, to help “Plataforma Educativa” close these deals.*

### **Fact-Box**

**Name of the intervention:** Service “Aracoop Internacional”.

**Objective:** carry out an internationalisation project for a social enterprise in a specific market.

**Nature of intervention:** consultancy services.

**Time of implementation:** November 2016 – ongoing.

**Costs:** maximum 192.000 € (9.600 € per project, 20 projects per year).

**Outcome:** 22 internationalisation projects for social enterprises.

**Transferability (high/medium/low):** medium-low.



## Second RaiSE Good Practice – ACCIÓ

### “Ateneus Cooperatius” Network



#### Introduction of the instrument

In the current economic context, the creation of new jobs and new enterprises is a priority and a strategic bet to boost the economic activity. “Aracoop” is a broad programme fostered by the Directorate-General for the Social Economy (Department of Labour, Social Affairs and Families of the Government of Catalonia) which serves as an instrument to promote employment and to support projects to create and enhance the social and cooperative economy in Catalonia.

A strategic line within “Aracoop” programme is the “Ateneus Cooperatius” Network, which are a reference point for the social and cooperative economy in a specific territorial demarcation. “Ateneus Cooperatius” (which can be translated into English as “*Cooperative Athenaeums*”) are proximity cooperative centres that develop projects and activities to boost and promote the social and cooperative economy.

#### Description of the problem tackled

Today the social and cooperative economy accounts for 8% of the GDP in Catalonia, it comprises 60.000 organisations (3.943 cooperatives), 5 million users and 320.000 workers, which represent 10% of the Catalan employment.

However, despite of the growing importance of this sector in Catalonia, the resources available for social and cooperative economy enterprises are quite scattered throughout different Administrations and a social entrepreneur may face difficulties in finding what he/she needs. The aim of “Ateneus Cooperatius” is to become reference spaces and meeting points, where social entrepreneurs that belong to the same area can learn, work together and innovate, and access from a single entry point to all the

available information about the social and cooperative economy in Catalonia.

### **Specific objective & intervention logic**

Cooperation is key to succeed, even more in the social and cooperative economy. “Ateneus Cooperatius” is born as a “network of networks”, that brings together 131 stakeholders of the social and cooperative economy through 14 different centres all over Catalonia. Interested stakeholders have formed a network in a territorial demarcation (the “Ateneu Cooperatiu”), with the technical and economic assistance of the Directorate-General for the Social Economy of the Government of Catalonia.

These stakeholders are foundations, associations, local entities, district councils, consortiums, work integration social enterprises, city halls, cooperatives, federations and sheltered working centres, with relevant experience, that jointly promote and boost the social and cooperative economy and the creation of new quality employment.

“Ateneus Cooperatius” are “antennas” and “speakers” of the social economy in the territory, that identify needs and opportunities within the sector and offer a wide portfolio of services, such as:

- Information about all the resources available for the social and cooperative economy in Catalonia
- Guidance and training to create a social economy enterprise
- Training on the management of social economy enterprises
- Teaching in schools to promote social economy
- Tailored support on choosing the appropriate legal form, to transform partnerships or associations into social economy enterprises and to consolidate a social economy enterprise
- Seminars and workshops about social economy and good practices
- Good practices laborator

## Impact created

Despite being a new service (it started at the end of 2016), the “Ateneus Cooperatius” Network already has remarkable impacts: first of all, thanks to this service, 131 public and private stakeholders of the social and cooperative economy are working together through the 14 “Ateneus Cooperatius” and have constituted a strategic alliance. Over 11.897 people have taken part in the activities of the Network, 505 organisations have received mentoring, 372 workshops have been organised, 49 social economy organisations have been constituted and 63 new jobs have been created (*unbound data, to be confirmed on November 2018*).

“Ateneus Cooperatius” Network has applied twice for the REVES Excellence Award as a good practice (2017 and 2018 Editions).

## Why is this a Good Practice?

Catalonia’s firm commitment with the social and cooperative economy as an entrepreneurial model to generate stable quality employment has led to the creation of the “Ateneus Cooperatius” Network. This is a pioneer and strategic project of the Government of Catalonia that allows the Catalan territorial counties to play a leading role in boosting the social and cooperative economy.

Thanks to this Network, the social and cooperative economy is promoted locally for the first time, promoting initiatives presented jointly by public and private stakeholders of the social economy that know the needs and opportunities of their territories very well. This joint work leads, in turn, to strengthen the social and cooperative economy in general, in order to advance together towards a social and cooperative Catalonia.

“Success story”

“Ateneu Cooperatiu” of Central Catalonia



The “Ateneu Cooperatiu” of Central Catalonia is a consortium of 6 cooperatives and several collaborating entities. In its first year of activity as “Ateneu Cooperatiu” (2017), it helped to create 20 new social economy organisations and inserted 48 people in the labour market, and 1.112 people took part in the activities that this “Ateneu Cooperatiu” organised, such as specific seminars or workshops on very practical issues (about legal aspects of the social enterprise, management, entrepreneurial skills, etc.).

In 2018, it has helped 31 social economy organisations through mentoring actions and 1.879 people took part in the activities that it has organised (*unbound data, to be confirmed on November 2018*).



## Fact-Box

**Name of the intervention:** “Ateneus Cooperatius” Network.

**Objective:** identify needs and opportunities within the social and cooperative economy and offer a wide portfolio of services.

**Nature of intervention:** proximity cooperative centres that develop projects and activities to boost the social and cooperative economy in a specific territorial county.

**Time of implementation:** December 2016 – ongoing.

**Costs:** maximum 3.300.000 € per year (max. 215.000 € per “Ateneu”, 290.000 € in Barcelona city).

**Outcome:** 14 “Ateneus Cooperatius”.

**Transferability (high/medium/low):** high.



## First RaiSE Good Practice – IFKA *“MarketMate” Network*

### Introduction of the instrument

PiacTárs (in English: MarketMate, reference number: EDIOP-5.1.2-15-2016-00001) is a flagship national priority project that has been designed to support the Hungarian social enterprises (as well as the social enterprise ecosystem) through providing them with financial and non-financial support financed under the EDIOP Economic Development and Innovation Operational Programme. The project is composed by preliminary researches, trainings, roadshows and dissemination events together with the design of 3 funding programmes addressed to social enterprises in Hungary, namely:

- a) EDIOP 5.1.3 call is addressed to provide non-refundable grant scheme,
- b) EDIOP 5.1.7 call is addressed to provide access to hybrid financial support involving non-refundable grant and low cost loan scheme,
- c) EDIOP 8.8.1 call is addressed to provide access to low interest rate loan schemes.

IFKA Public Benefit Non-Profit Ltd. for the Development of the Industry together with OFA National Employment Public Benefit Non-Profit Ltd. is main beneficiary of the national priority project where IFKA is in charge of the design and implementation of the pre-qualification scheme embedded into both the priority project as well as into the calls. The pre-qualification scheme is an audit scheme that ensures that only social enterprises demonstrating financial viability and measurable social impact are entitled to take part in funding programmes.

## Description of the problem tackled

The reason behind this logic is that currently approximately 60 per cent of social enterprises are reliant on grants representing the only income source for them. In order to change the way public money is absorbed by social enterprises, the Ministry for National Economy has decided to a) introduce and test mainstream financial instruments (hybrid financial instrument, microfinance and low interest rate loan scheme designed to social enterprises) contrary to previous grant-based financing in the period of 2007-2013 and to b) pre-select social enterprises with potential to market entry and survival for the dedicated comprehensive business re-structuring programme delivered within MarketMate priority project.

## Specific objective & intervention logic

MarketMate priority project contains the pre-qualification criteria - that enables access to dedicated financial instruments – is composed by 3 main elements: a) minimum requirements (mainly administrative data), b) sustainable business plan, c) measurable social impact. Social enterprises successfully passing the pre-qualification scheme are entitled to apply for further calls. However, social enterprises that are reluctant to pass the pre-evaluation scheme, regarding the total score (50 per cent or 75 per cent obtained) provided with the chance to modify and update their application and submit for a re-evaluation – through non-financial support and consultancy provided by a blue-ribbon panel of experts in the frame of the MarketMate priority project.

## Impact created

Since 2014, MarketMate priority project has made considerable progress in Hungary in terms of identifying social enterprises and their ecosystems (given the fact that there was no official data collection on social enterprises before) as well as in terms of establishing dialogue between policymakers (represented by the Ministry for National Economy and its

auxiliary organizations) and social enterprises on what support the sector really needs.

Overall, since 2016 under the call of EDIOP 5.1.3 a total of 20 million EUR and under the call of EDIOP 5.1.7 a total of 50 million EUR have been allocated to support the Hungarian social enterprises and their ecosystems. Call EDIOP 8.8.1 is under development for the moment.

During the summer of 2017, 94 industry specific project plans were supported by IFKA to apply for the call EDIOP 5.1.3. Most applications have been submitted by social enterprises active in the following sectors:

- a) fashion, furniture, packaging industries with the total amount of 3 225 806 452 EUR requested,
- b) services (especially in IT, office space and business training) with a total amount of 4 193 548 387 EUR requested.
- c) fast moving customer goods with a total of 2 580 645 EUR requested.
- d) tourism and hospitality (restaurants, camping) with a total of 2 258 065 EUR requested and
- e) last but not least in retail (namely handcraft and second hand products) with the total amount of 483 871 EUR requested.

Total of 152 organisations were certified by IFKA through the MarketMate priority project, EDIOP 5.1.2. These organisations involve 79 social cooperatives, 28 associations, 18 foundations, 26 non-profit companies (limited company, general partnership) and 1 church.

All in all, 128 proposals have been approved by Managing Authority with 16 094 730 EUR under the call of EDIOP 5.1.3 until now. Data on the call of EDIOP 5.17 is not available yet.

### **Why is this a Good Practice?**

The MarketMate priority project and related calls represent a mainstream and innovative approach in supporting social enterprises and their



ecosystems. On the one hand, financial and non-financial support provided for social enterprises are closely interrelated. On the other hand, the structure of the pre-qualification system promotes transparency and dialogue between parties involved. Last but not least, the criteria of the pre-qualification system are mainstream, focusing on the key success criteria for social enterprises' access to market, access to finance, internationalization as well as increasing of employment capacity such as viable business model resulting in financial viability as well as social impact created.

In conclusion, the overall business re-structuring scheme provided under the various EDIOP calls unlock the limited numbers of cooperation among the actors and facilitates exchange of experiences and knowledge. Moreover, the financial assistance facilitates social innovations, job creation in vulnerable and marginalized social groups together with active citizenship and stakeholder engagement.

With the transformation of the Hungarian social enterprise eco-system, social enterprises will have more opportunities in the future, such as to a) gain more entrepreneurial mind-sets, b) dedicate resources to the measurement of their social impact, c) establish market-based co-operations with each other and other businesses, d) get engaged in SRPPPs and last but not least e) exploit innovative market expansion strategies (e.g. social franchise).

### **“Success story”**

#### **“Hatpöttyös Restaurant”**



The “AteneHatpöttyös Restaurant, located in Székesfehérvár, 70 kms from Budapest, supports disabled people and employs them in order to decrease social exclusion. The employees take part in kitchen work and serving food for the customers in the restaurant. The team of the organisation use bio agricultural products and popularise the Hungarian Kitchen culture.

This enterprise submitted its application to EDIOP 5.1.2. The application documents include the business plan that showcases the sustainable operation of the social enterprise as well as a detailed executive summary giving references about their social impact and expectations for the future in terms of access to finance, access to market and increase of employment capacity.

During the pre-qualification process, the social enterprise managed to secure scores falling into the category of the range of 50%-70%, which means that the applicant had to take part in business re-structuring and advocacy lead by expert coaches (members of the blue-ribbon panel of experts). During the course, the social entrepreneur have developed its entrepreneurial skills and competences together with financial literacy. After the business re-structuring training, the social enterprise managed to comply with the requirements and pass the pre-qualification successfully.

Through being actively engaged in the development of its business plan, the Hatpötyös Restaurant social enterprise has acquired knowledge on business modelling, market analysis and financial managements as parts of the comprehensive business planning and re-structuring procedure. Due to the Social Impact Module, the social enterprise has become more conscious regarding the importance and relevance of social impact measurement and defining social goals in the long run.

## Fact-Box

**Name of the intervention:** PiacTárs (in English: MarketMate, reference number: EDIOP-5.1.2-15-2016-00001) National Priority Project.

**Objective:** to support the Hungarian social enterprises (as well as the social enterprise ecosystem) through providing them with financial and non-financial support financed under the EDIOP Economic Development and Innovation Operational Programme.

**Nature of intervention:** EDIOP 5.1.2 enables financial and non-financial support to Hungarian social enterprises through professional consultancy

and dedicated financial instruments, e.g. EDIOP 5.1.3 call as well as EDIOP 5.1.7 call that is linked to the priority project (EDIOP 8.8.1 is currently under preparation). Social enterprises demonstrating economic and financial viability (measured along well-established business plan) and measurable social impact (embedded into the scoring system) are entitled to government support.

**Time of implementation:** 2016-2022.

**Costs:** maximum EDIOP 5.1.2 is the pre-qualification scheme of EDIOP 5.1.3 and EDIOP 5.1.7 calls for proposals. In sum, EDIOP 5.1.3 call provides a total of 20 million EUR, while EDIOP 5.1.7 call provides a total of 50 million EUR support to social enterprises.

**Outcome:** Total of 152 organisations were certified by IFKA through the MarketMate priority project, EDIOP 5.1.2. All in all, 128 proposals have been approved by Managing Authority with a total budget of 16 094 730 EUR under the call of EDIOP 5.1.3 by today.

**Transferability (high/medium/low):** The transferability of the policy instrument is medium due to the following facts: a) the priority project builds on multi-level governance, meaning that 2 auxiliary organizations works closely together with the Managing Authority in the implementation of the project and related calls while a group of stakeholders is involved in the identification and design of calls through various expert groups run by OFA; b) designated organizations implement the priority project that entails preliminary research, awareness-raising events and trainings to social enterprises carried out by a blue-ribbon panel of experts, c) topics of the calls as well as the financial resources are allocated in a way that best reflects the actual needs of the entire sector based on primary research (as indicated above) as well as in-depth expert interviews and discussions with stakeholders, interest groups and beneficiaries in the frame of roadshows across Hungary.

## Second RaiSE Good Practice – IFKA

### *“FelVállal” Network*

#### Introduction of the instrument

‘FelVállal’ (in English: ‘ReComp’ - Responsible Companies for Flexible Working Hours) is one of the 11 consortia implementing a national project (EDIOP-5.3.1-14 – Promoting Flexible Employment in the Convergence Regions of Hungary, Component A) that had been designed by the Ministry for National Economy to propagate flexible/family-friendly labour forms in Hungary. ‘FelVállal’ is also the follow-up of a previous project ‘MuKi’ (in English ‘WoKi’ - Work with Kids) aimed at supporting mothers with little children to return to the employment market.

Timeframe: Project implementation started on the 1st of August of 2015 and finished on the 30th of June, 2017.

Financial aspects: The total budget of the project was 349 906 029 HUF (1 134 401 EUR) 100% financed by the European Union and the Hungarian State from ESF and ERDF resources.

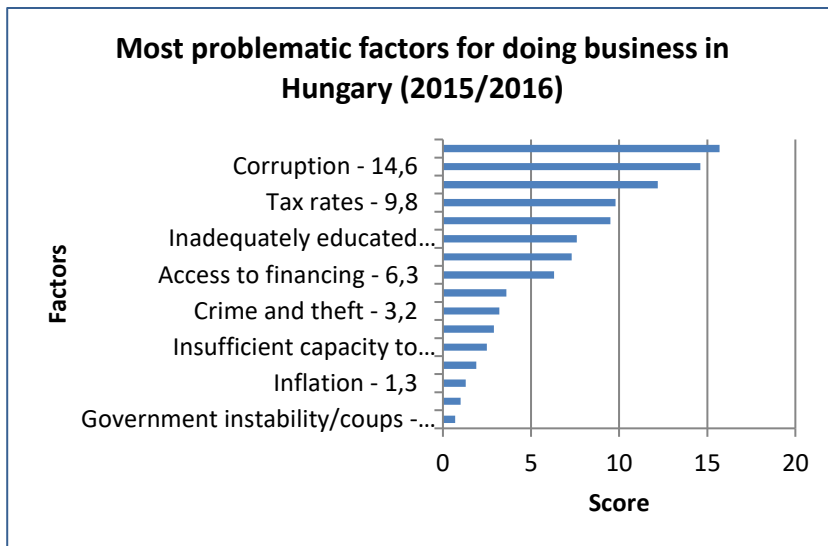
Stakeholders: IFKA Public Benefit Non-Profit Ltd. for the Development of the Industry, Kontakt Foundation, MAPI Hungarian Development Office Closed Joint Stock Company, Ministry for National Economy, Hungarian SMEs

Human resources: 34 professionals participated in the implementation of the project, of which 10 persons have been employed by the Lead Partner (IFKA), 9 persons by the Kontakt Foundation and 15 persons by MAPI.

#### Description of the problem tackled

According to national and international researches the lack of employees and the employment inefficiency must be mentioned among the main obstacles for the Hungarian economic growth. For example, in 2015/2016,

when the ‘FelVállal’ project had started, the inadequately educated workforce (score 7.6) and the poor work ethic in labour force (score 7.3) and other employment related problems played an important role among the most problematic factors for doing business in Hungary, according to the World Economic Forum’s Global Competitiveness Report 2015-2016.



Behind these structural problems there were several reasons of which the ‘FelVállal’ project targeted the followings:

- Lack of available flexible working forms being applied at Hungarian SMEs.
- Low level of employability of disadvantaged groups.
- Inability of Hungarian SMEs to adapt to the fast and continuously changing working environment, and to employ disadvantaged or disabled employees.

- Additional employment costs at Hungarian SMEs caused by high level of fluctuation.

According to comparative studies these problems are present in the Central and Eastern European Region which has been strongly affected by the crisis and the continuous migration of the labour force from the region to Western countries.

### **Specific objective & intervention logic**

The consortium 'FelVállal' was formed by the IFKA Public Benefit Non-profit Ltd. for the Development of the Industry as the lead partner and two additional professional partners (Kontakt Foundation and MAPI Hungarian Development Office Closed Joint Stock Company) The partners provided auditing services for Hungarian SMEs using a standardized auditing methodology applied by all 11 consortia that also implemented their projects within the frameworks of the EDIOP-5.3.1-14 program (Component A). The auditing services focused on the employment forms, techniques, human resource management processes and the management culture of the SMEs that applied for the service and signed the cooperation agreement with the consortium. Moreover, as each auditing consortium had the chance to use additional auditing tools during the implementation of Component A, IFKA used a so-called 'economic module', which audited the market and industry situation, the business model and the implementation of the business strategy of each SME participating in the program. As an output of the audit services the participating organizations received the Audit Report and an overall Organizational Development Plan prepared by the consortium, which made recommendations for the development of the organization itself and its employment techniques and processes as follows:

- Production processes at the company that can be converted into flexible working forms
- Applicable flexible and family friendly working forms at the company

- Upper and middle management trainings to prepare the management for the application of flexible working forms
- Employee trainings to make workers able to work in flexible forms
- Calculations of the wage and employment cost consequences of the transformation of the organizational employment culture
- Opportunities to reduce centralized management
- Empowerment and responsibility sharing techniques
- Methods for increasing employee and middle management independence

The SMEs participating in the project could apply for 100% non-refundable financial support for the implementation of the Organizational Development Plan within the frameworks of the EDIOP-5.3.2-16 (Component B). From a financial point of view SMEs could apply for grants up to EUR 45.000 within the frameworks of Component B. The amount of financial support was defined by two factors:

- How many additional new employees were going to be employed by the applicant and
- How many employees' working forms were planned to be made more flexible.

The methodology used during the auditing of SMEs, which can be understood as a pre-evaluation scheme, enabled the SMEs to get a free external audit concerning their HR and general economic functions. This type of project implementation was used to establish a dialogue between the auditor firm and the audited SMEs, making sure that the audited SMEs have a clear understanding of their own problems and the proposed solutions.

## Beneficiaries

The beneficiaries of the 'FelVállal' project were small- and medium sized companies (except micro enterprises) operating in the convergence regions of Hungary. The beneficiaries had to apply for the audit services by registering on the webpage of the project. After registration they had to fill in and submit their applications for the organizational development services. Those, who were selected, signed a cooperation agreement with the consortium.

The target group is important to be supported since the Hungarian SMEs employ 49,02% of all Hungarian employees but on the other hand they cannot exploit and increase their employment potential because their organizational structures, employment culture and financial exposure restrain it.

## Impact created

The 'FelVállal' project measured its impact through the following indicators:

- Number of audited organizations: **104**
- Number of employees affected by audit services: **2 979**
- Number of Organizational Development Plans: **104**
- Number of applications submitted by audited SMEs to the EDIOP-5.3.2-16 call: **74**

As for the overall results of the EDIOP-5.3.1-14 (Component A) and EDIOP-5.3.2-16 (Component B) programmes, the following outcomes can be mentioned to describe the impact created by the intervention:

Under the call of **EDIOP 5.3.1** a total of **6.25 million EUR**, and under the call of **EDIOP 5.3.2** a total of 15.625 million EUR have been allocated to support the smart restructuring of Hungarian SMEs. A total of **54 consortia applied** for component A, out of which **11 consortia were accepted**, representing **32 organizations**. During the implementation of component A, altogether



**832 SMEs were audited, covering 35 283 employees, out of which 2 311 people were from disadvantaged social groups.**

### **Why is this a Good Practice?**

The ‘FelVállal’ project has made considerable progress in Hungary in terms of identifying the employment challenges of Hungarian SMEs, as well as additionally establishing a policy dialogue between policy makers (represented by the Ministry for National Economy) and the SMEs, to identify the real needs of the sector which can be tackled by new projects accordingly.

From the RaiSE point of view ‘FelVállal’ is a good practice, because the information gained during the project implementation about the employment problems and the employment restructuring possibilities and perspectives of Hungarian SMEs have been applied during the design process of the EDIOP-5.1.2-15-2016-0001 ‘MarketMate’ priority project. This way the results of the project have been directly utilized in the project plan pre-evaluation and social enterprise development services provided by IFKA to Hungarian social enterprises within the frameworks of the ‘MarketMate’ project.

According to the lessons learned during the project implementation we believe that smart restructuring can be a solution not just for SMEs, but social enterprises as well. Secondly, the separate call for proposals for the auditing consortia ensures the high quality of the auditing procedure, as well as supporting them with enough flexibility to create their own methodology. This whole procedure enables the actors to give tailored non-financial support to the targeted SMEs. Thirdly, the data gathered during the implementation of the project has been used to support the programming of the next period, translating the experiences gained concerning the discovered real needs of Hungarian SMEs.

**In conclusion, the smart re-structuring scheme provided under the different EDIOP calls facilitates exchange of experiences and knowledge. Moreover, the financial support can be understood as a “smart” way of**

**indirect financial support facilitating financial assistance for job creation among vulnerable and marginalized social groups together with stakeholder engagement, that can be applied effectively in social economy and social enterprise development services and programmes.**

### **“Success story”**

#### **“MEMFO”**

As a way of showing how the programme can affect the everyday lives of employees, we have brought an enterprise which has been audited and successfully gone through the smart organizational restructuring: MEMFO Ltd. The company employs 170 people, 30% of which are employees with disabilities. MEMFO produces automotive cables, operating on 5 different sites at the same time. All of the characteristics listed above propose a huge management burden on the leaders of the company, so the EDIOP 5.3.1 and 5.3.2 project was a wonderful opportunity for them to gain external knowledge on their own operation as a company. After they were audited by IFKA, they applied for component B and their recommendation paper was successfully accepted for a 12-month-long development project.

As of June 2018, their organizational development procedure has succeeded. As a result of this procedure an even more human-oriented workplace has been established. The steps taken included:

- change in the management of the company in the enrolment of a new CEO, separating the owner and the manager,
- introduction of a continuous leadership training through a two-monthly training programme,
- emphasizing the gained experiences during work, establishing a supporting environment from interviewing until a possible retirement,
- supporting the current and future employees with disabilities even more with the help of a more regulated working environment,

- establishing a programme calendar containing at least monthly events to establish the MEMFO community,
- using the Motivation 2.0 approach, the employees were given premium up to a point where they have been absent for minimum 3 days/month.

## First RaiSE Good Practice – WestBIC

### *“Clann Credo”*



### Introduction of the instrument

Clann Credo is Ireland’s leading provider of loans to communities providing loans to communitiy organisations generating a social return and capacity to repay a loan. The organisation provides retail loans, knowledge and expertise to the community, voluntary and social enterprise (CVSE) sector. Clann Credo played a key role in lobbying the Irish government to introduce a social finance initiative. This led to the establishment of the Social Finance Foundation, which provides wholesale loans to community organisations such as Clann Credo. Neither Clann Credo nor the Social Finance Foundation receive any government funding towards their operating costs or capital base.

### Description of the problem tackled

Prior to 2000, Ireland’s growing social enterprise sector was not well understood and consequently struggled to obtain capital. Many Irish community organisations, particularly in disadvantaged areas, had no access to mainstream bank finance. Clann Credo was created as a response to these identified market failures. The Presentation Sisters, an international Roman Catholic congregation, set up Clann Credo in 1996 as a way to deepen social justice and further its mission of social transformation. Other religious charities also provided capital.

### Specific objective & intervention logic

The objectives of Clann Credo:

- Providing social finance to CVSEs with favourable conditions: no personal guarantees from project promoters or voluntary board members,

no penalties for early repayment, flexible loan-terms to address any difficulties appearing throughout the lifetime of the loan

- Helping organisations build their capacity and skills in project/business planning and management; managing and accessing funds; and identifying areas of social impact
- Carrying out research on social investment with the potential to strengthen the CVSE sector and explore new financial tools
- Informing political institutions about the importance and growth potential of the CVSE sector, including sector financing (e.g. key role in lobbying the Irish Government to introduce a social finance initiative; member of the Social Enterprise Task Force).

Clann Credo loans span 3 months to 15 years and vary from EUR 10 000 to EUR 500 000; the average loan amount is EUR 120 000. For loans with a term of five years or more, the current typical interest rate is 4.95% per year variable. For shorter-term loans, the current typical interest rate is 6% per year fixed. Conditions include no personal guarantees from project promoters or voluntary board members and no penalties for early repayment, even for fixed-rate loans.

## Impact created

Since its creation, Clann Credo has lent over EUR 95 million (euros) to more than 850 projects. It has also developed other activity strands addressing wider societal issues; for example, it assessed the viability of the social impact bond (SIB) concept through a pilot that secured private capital to help homeless families move into long-term accommodation.

An economic audit by the economic research firm DKM Economic Consultants (2011), found that Clann Credo loans contributed a total EUR 63 million to the Irish economy in 2010. Every euro injected into the economy by a Clann Credo client benefitted the economy by a further 32% (e.g. through wages or purchases of goods and services). In 2011, projects supported by Clann Credo loans employed 820 people full-time and 670

people part-time; the loans helped maintain 630 jobs and create 260 new jobs. Clann Credo currently has a retail loan book of €20 million.

### **Why is this a Good Practice?**

Using private capital and the banking industry to provide wholesale and retail social finance to social enterprises is an innovative approach that could be replicated in other countries.

A number of preconditions need to exist to enable replicability.

- The first is a clearly identified market failure that is not being met by either the government or mainstream financial institutions.
- Prior to engaging in strategic advocacy, Clann Credo developed a proven operating model. It informed the government’s decision-making process through its own research and analysis, which it shared in roundtable discussion events.
- The existence of interested individuals or NGOs willing to invest in social finance and establish social finance providers, so as to provide greater choice and competition. Social finance providers need to have or develop core competencies, such as the ability to raise capital from investors.
- The existence of key champions in the political system, the civil service and the industry who are committed to expanding social finance provision.
- An existing retail distribution infrastructure developed by social finance providers, such as Clann Credo, can benefit/facilitate the development of wholesale providers such as the Social Finance Foundation.

### **“Clár Irish Centre for Housing” – A Success Story**

Clár Irish Centre for Housing (Clár ICH) was established in 2000, in Claremorris, Co Mayo with the aim of providing homes for older people, those with disabilities and for emigrants returning home.

Within a short timeframe and with the help of Clann Credo in providing Community Loan Finance, Clár ICH was engaged in the management of a complex of 25 specially-built homes for the elderly and disabled in

Claremorris. In addition, the organisation was involved with social housing provision for families in need, along with a range of key services in the community: rural transport, home insulation, a 'befriending' service for the elderly, childcare and local enterprise development.

In 2010, Clár ICH undertook an ambitious programme to build an additional 36 social houses in Claremorris, with grant support from Mayo County Council. However, financial challenges arose, and having secured financial support from Clann Credo the first time, Clár ICH once again turned to Ireland's leading social finance provider for assistance. Clann Credo was able to approve a ten-year loan on terms not available commercially to help ensure that this critical project - which delivered a strong social impact in the community - was in a position to overcome financial challenges and proceed to completion. [www.clarird.com/ich-clar.html](http://www.clarird.com/ich-clar.html)



## Fact-Box

**Name of the intervention:** “Clann Credo”.

**Objective:** Clann Credo provides loans to community organisations that are generating a social return and have the capacity to repay a loan

**Nature of intervention:** financial services.

**Time of implementation:** 1996 – ongoing.

**Costs:** €10 million was invested in the organisation by religious congregations and a further €100 million is available through the Social Finance Organisation

**Outcome:** An economic audit (2011) found that Clann Credo loans contributed a €63 million to the Irish economy in 2010. Every euro injected into the economy by a Clann Credo client benefitted the economy by a further 32% (e.g. through wages or purchases of goods and services).

**Transferability (high/medium/low):** medium



## **Second RaiSE Good Practice – WestBIC *Community Services Programme (CSP)***

### **Introduction of the instrument**

The Community Services Programme (CSP) arose out of a policy decision by the Irish Government in 2000 that noted ‘there is a clear case for developing the social economy in the context of combating disadvantage and with the aim of regenerating communities’. Following an evaluation of a previous programme, the Irish Government launched the Community Services Programme in January 2006. The CSP was set up to support community businesses and social enterprises. A central objective of the measure is to support voluntary and community groups to provide local services to their communities, it also has a focus on employment opportunities for those most distant from the labour market.

### **Description of the problem tackled**

During the 1990’s the term ‘social economy’ came into usage in Irish policy discourse. The main impetus for the development of the social economy in the 1990s came from local and community development initiatives stimulated by public policy responses to high unemployment and urban and rural disadvantage. The community businesses that emerged relied hugely on labour market activation programmes developed to tackle long-term unemployment. The CSP was set up to assist local community businesses address local social needs by developing specific services that were ran by the community that also provided long-term employment to local people.

## Specific objective & intervention logic

The purpose of the Programme is to support voluntary and community organisations to provide essential services and businesses to their communities with services designed to:

- Alleviate disadvantage
- Promote sustainable social and economic development
- Provide employment for those most distant from the labour market
- Strengthen local ownership through participation in decision-making.

Within its broader purpose, CSP funding is focussed on certain priority activities and disadvantaged sectors of the population. Supported initiatives can be generally categorised as follows:

- Community Services, which includes services targeted at older people, Travellers and people with disabilities and more generally available services such as community radio.
- Community Enterprises, which employ people most distant from the labour market e.g. people with disabilities, recovering drug mis-users, People with convictions who are in contact with the Probation Service, Immigrants (legally allowed to work in Ireland).
- Community Halls and Facilities including tourism & heritage centres.

The funding provided to service providers is expressed as a fixed annual co-funding contribution towards the costs of employing a manager and/or a specified number of full time equivalent positions (FTEs).

The programme provides support to services under many guises including financial and non-financial.

One-to-one – support provided ranging from the provision of advice on the criteria, rules and conditions of the programme; support to address contract conditions; advice in relation to the future development of the social enterprise are provided to all services.

Collective Supports - are targeted at board and staff members of CSP supported services and are delivered on a regional and/or national basis.

Business coaching - the third element of the strategy involves more intensive supports services that are deemed as having significant sustainability issues. This involve a business coach working with the service to address viability and other concerns so that services move forward on a path to sustainability.

### **Impact created**

Since its creation in 2006, CSP has contributed circa €600 million to over 500 community businesses, averaging 400 services and €46 million per annum. This funding has allowed community businesses develop their social enterprise locally and provide an additional 830 full and part-time employment of staff through their traded income. This is on top of the 300 managers and 1,700 full time equivalents (FTEs) per annum supported directly from the programme in long-term employment. 70% all employees supported under the programme must come from a welfare payment category.

All of the those supported under the programme are now working from a social enterprise model. The programme has had a positive impact on the development of the local social economy with more and more organisations seeking to enter.

### **Why is this a Good Practice?**

The programme was set up and supported by National Government to support the social economy and assists local organisations to provide identified services and employment to those most distant from the labour market. It provides long-term employment to people formerly long-term-unemployed.

The programme responds to local community needs that have identified a social problem and have developed a local response/solution to the

problem. It supports and develops local participation on governance structures. Ownership is in the hands of local people and not government, social services or private for profit individuals/organisations.

Provides business supports to assist organisations to understand and work from a social enterprise model i.e. through a co-funding model approach and the provision of 1-2-1 business coaching supports to those with sustainability issues.

Services supported under CSP cannot displace commercial activity.

Collaboration occurs between key stakeholders at a local, regional and national level. These include Government Departments, national statutory bodies etc.

The programme engages with service providers by way of a national 'feedback and engagement' project. This project aims to provide a voice for community businesses to highlight how improvements to systems, processes and practices can occur.

## Fact-Box

**Name of the intervention:** “Community Services Programme (CSP)”.

**Objective:** To support voluntary and community organisations to provide essential services and businesses to their communities with a focus on disadvantage and employing those most distant from the labour market.

**Nature of intervention:** Development of the social economy through financial and business supports.

**Time of implementation:** 2006 – ongoing.

**Costs:** Circa €46 million invested annually in the programme that equates to almost €600 million by the end of 2018.

**Outcome:** The community Services Programme has benefitted over 400 local community businesses in providing services to local disadvantaged people and communities. It has impacted unemployment by creating long term employment to over 1,700 full time employees and taking them out of welfare/security payments and benefits. These services have generated employment for a further 830 people as a result of generating traded income. These services have moved from being dependent on the state for 100% grant funding under the programme to being partially self-reliant as CSP pays a contribution to salaries only.

**Transferability (high/medium/low):** high

## First RaiSE Good Practice – Scottish Enterprise

*Just Enterprise*



just enterprise

### Background

The Just Enterprise is a business support programme for social enterprises and all enterprising Third Sector organisations. It is funded by Scottish Government and delivered by a consortium of 10 organisations across Scotland with expertise in the sector.<sup>1</sup>

It has been in operation since 2011 and serves as the first national business support service in Scotland dedicated to driving the sustainability, growth and competitiveness of social enterprises.

The service was a response to the 2008-2011 ‘Enterprising Third Sector Action Plan’<sup>2</sup> which recognised the need to support the business ambitions of the sector in a more coherent way. Prior to the call for a universal solution, support to the sector was provided through a series of individual contracts covering separate regions of Scotland.

### Objectives and Fulfilment of the Service

Scotland’s mainstream business support is managed through two national economic development agencies (Scottish Enterprise and Highlands & Islands Enterprise) and a network of local providers forming the Scottish Business Gateway network, managed individually by each of the 32 Local Authorities. This constitutes the primary business support ecosystem for start-up, established and high growth businesses across Scotland.

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<sup>1</sup> Just Enterprise partners: Community Enterprise in Scotland (CEiS), HISEZ, Firstport, Social Enterprise Academy, Forth Sector Development, Community Enterprise Ltd, CEMVO Scotland, LESL, Ready for Business, Inspiralba.

<sup>2</sup> <http://www.gov.scot/Publications/2008/06/19085003/0>

However, while many social enterprises have continued to benefit from access to the mainstream products and services available across the business support sector, the need was identified for a specialised and complementary service sympathetic to the unique challenges and barriers experienced by third sector organisations. Just Enterprise was therefore created to support financial resilience and sustainability, identify growth potential, and provide assistance to social entrepreneurs operating within the Third Sector. It was designed to mirror the national Business Gateway Service by offering higher level interventions responsive to client need alongside workshops, awareness raising and signposting.

After a public tendering process, an initial £3m of Government funding was provided to the successful bidders for the first 3 years of delivery (2011 – 2014). This was extended in 2014 for a further two years, followed by two annual extensions. Over the first 6 full years of service delivery by the Just Enterprise partners, (2011-2017) Scottish Government expenditure has been approximately £6m. It has recently undergone a comprehensive Service Review and a new service contract will be introduced following the present extension period and after ongoing consultation with Scottish stakeholders.

## **Delivery**

While it has evolved over the years to respond to opportunity and need, the Just Enterprise service has continued to ensure delivery against its three primary service offerings: Start-Up; Business Development and Leadership.

Enquiries to the service have been through a variety of means. Initially encouraged by the consortium members, traffic has increasingly been driven by a variety of marketing techniques including wider Third Sector networking and events, internet searches and, increasingly, word of mouth. The latest data shows that almost 60% of the service users are accessing Just Enterprise through referrals or word of mouth. Despite the highest number of referrals coming through the Business Gateway partners, these relationships are being further strengthened through a programme of

knowledge exchange events in partnership with Business Gateway and Scottish Enterprise. This programme has been introduced to encourage greater integration between mainstream and third sector business support.

The motives for social enterprises accessing the service vary with skills development being the most commonly cited followed by an aspiration to grow the business. Sustainability, start-up, increased trading, product/service development and leadership also feature as key drivers.

## Outputs

Within the first contract period there were a total of 4,684 recipients benefitting from start-up advice, business support, leadership programmes, finance and tendering workshops. These interventions included a range of one to many workshops and one to one support. The actual number of beneficiaries exceeded the targets set reflecting both accurate anticipation of need for the service and high volume of programme activity. In addition, the Just Enterprise service was measured on its ability to provide a single access channel to support for the sector, to ensure wide stakeholder engagement and also to develop the capability of organisations to maximise opportunities offered through public sector procurement. As the service has continued and matured, the number of recipients recorded after 6 years rose to 10,022.

There have been 6,697 separate instances of support delivered to organisations across Scotland via this service over the period of 6 years albeit that some organisations may have accessed the service more than once. Areas that have been introduced as the service has evolved include Business Recovery support and, in response to political priorities, a more tailored, intensive service for Supported Businesses (this definition is supported by the Scottish Government's adherence to the appropriate EU Directive). In addition, the service has expanded to address support needs in Procurement, Investment Readiness and Equalities.



## Impact

The direct benefits derived from the support provided are rated highly with over 80% of recipients believing it has had a positive effect on their organisation. Furthermore, recipients also believe that there have been a number of additional positive outcomes arising from engagement in the service including increased confidence, morale, motivation and aspirations to grow. These ratings are particularly strong from recipients who accessed support in Leadership. Improved networking with other Third Sector organisations and creation of new relationships are unexpected but very welcome benefits which align with the sector's ambitions for greater cohesion, collaboration and dialogue

From a policy and wider sector perspective there have been other significant benefits to the structure of the service. As the lead partner, CEIS has been responsible for the contract management with Scottish Government, and manages the relationships with each of the delivery partners. The consortium comprises partners with key expertise in, and responsibilities for, the different areas of service delivery. This includes ensuring national geographical reach to ensure the partial, more fragmented delivery of the past has been addressed more effectively and consistently. This example of sector partnership and collaboration through a consortium model of delivery has demonstrated the value of social enterprise alliances, consolidated access to support for the enterprising organisations, and developed both expertise and understanding of the unique barriers pertinent to socially-driven businesses.

It has contributed significantly to more cohesive engagement between local and national partners, providing a gateway to other locally based networks (including Scotland's geographical social enterprise networks and local authority economic development specialists), and maintaining dialogue with national support agencies including Scottish Enterprise, Highlands & Islands Enterprise and Scottish Development International.

## Conclusion

The Just Enterprise service has been an innovative partnership approach by the sector for the sector. Supported by Scottish Government’s Third Sector Unit it has created an offering that is demand-led and, as a result, has introduced flexibility in its delivery over the last 6 years. It has adopted a mixture of high-volume workshops and support mixed with more specialist, bespoke interventions, continually revising its programme to respond to critical areas of demand. The introduction of a business support service targeting social enterprises has been a positive addition to the wider Scottish ecosystem with ambitions to continue improving integration between mainstream business support and sector specific delivery. It aligns well with Scottish Government policy, in particular the Economic Strategy and Social Enterprise Strategy, through its support of inclusive economic growth and drive to improve the sustainability, resilience and productivity of socially-led organisations.

## Fact-Box

**Name of the intervention:** Just Enterprise

**Objective:** Provide a national service of business support aimed at social enterprises and enterprising third sector organisations.

**Nature of intervention:** Social Enterprise organisations, working as a consortium, to provide enterprises with a single point of access to expertise support across a range of critical areas. Service delivery includes one to one support; workshops; bespoke assistance.

**Time of implementation:** 2011 - ongoing.

**Costs:** Approximately £1m per annum

**Outcome:** Approximately: 6,700 individuals from more than 4,500 organisations have received almost 10,000 instances of support (2011 – 2017)

**Transferability (high/medium/low):** medium-low.

## Second RaiSE Good Practice – Scottish Enterprise

*Firstport*



### Background

Firstport is a development agency for start-up social enterprise in Scotland, having initially been set up by the national grassroots network for social enterprises. Established in 2007 the service offers start-up funds, business advice, practical tools, and connections as part of a full package of free business support.

In addition, Firstport distributes money from the Scottish Government's Social Entrepreneurs Fund through an awards programme. It is a partner in the national Just Enterprise consortium, responsible for the provision of its specialist support services to start-up enterprises across Scotland.<sup>1</sup>

### Objectives and Fulfilment of the Service

Firstport operates as a social enterprise in its own right and is a key partner in Scotland's social economy eco-system. It was designed to provide services which help take new social enterprises from the seed of an idea to start-up, and sustained success. This includes a comprehensive package of support to include seed funding and business advice. It also facilitates connections to help social entrepreneurs identify networks, advice, and peer support to develop and implement their business ideas and potential.

Starting as a small organisation it has ensured a steady growth in size, services and impact of support specifically designed to support social entrepreneurs over the last decade.

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<sup>1</sup> <https://www.justenterprise.org/>

Firstport's journey over the last 10 years has been one of learning as well as support. It has styled itself as a responsive rather than prescriptive organisation, prepared to pioneer new programmes and approaches which reflect the demands of the recipients rather than determined by the service. This has included:

- **Seed Funding:** an awards programme run on behalf of the Scottish Government which offers 3 different levels of start-up funding to help pilot and grow ideas for social enterprises.
- **Business Accelerators:** LaunchMe is Scotland's first accelerator for early stage social enterprises
- **Competition Incentives:** Funded through a range of sources, Firstport periodically introduces innovation challenges to stimulate creative ideas and support initiatives that tackle social and/or environmental issues. It runs the national Social Innovation Competition.
- **Business replication:** an innovation 'Ditto' programme showcasing proven business models. This offers entrepreneurs the opportunity to adopt an appropriate approach to engender profit for their enterprise and embed successful practice.
- **Place-based Programmes:** a partnership approach with private, public and third sector collaborators to effect a creative response from local residents to local challenges.
- **Advice and Training:** as a dedicated start-up specialist, Firstport targets and supports social enterprise business development, sustainability and growth across enterprising third sector organisations.

## Delivery

The Firstport service has provided a comprehensive support and outreach programme designed to align with 4 priority aims to:

1. Embed diversity by encouraging and enhancing the business ideas of social entrepreneurs from a wide spectrum of backgrounds and places.

Greater numbers of women, young entrepreneurs and those from minority ethnic backgrounds have been encouraged to progress their ideas and start up social enterprises through management of an expanded Social Entrepreneurs Fund and incentives to engage in challenge programmes.

2. Influence place-based innovation where social enterprise ideas created to support local communities, villages and towns are identified and supported.

Partnership work rooted in local communities has been an integral part of realising this goal including high-profile campaigns as well as programmes supported and marketed through collaboration with public agencies, intermediaries and businesses focused on local populations. The Vital Spark and What If programmes epitomise the importance of such an aim, both to support community innovation and solution building, and to stimulate awareness of the social enterprise model for budding entrepreneurs. They were created in partnership to support an area of outstanding beauty within Scotland’s Highlands and Islands and coastal regions. However, they are also areas with significant challenges relating to their rurality including: youth migration, isolation and an ageing population which contrasts with a vibrant community spirit. Vital Spark and What if have been a means of providing local people with the practical and financial support required to convert ideas into enterprises and create local solutions for local issues. A critical part of this process was the provision of incubator hubs to enable participants to test their ideas, showcase their products and services and collaborate.

3. Understand and foster the range of ambitions across the full spectrum of social entrepreneurs including those with high growth potential and aspirations.

Entrepreneurs with ambitions for growth have been supported to build capacity and confidence for growth through tailored support, including the brokering of relationships between entrepreneurs and financial investors. This has been enhanced through the delivery of Scotland’s only accelerator programme for start-up social enterprises – LaunchMe – initially on behalf of the Big Lottery Fund. Accessible to social enterprises, this is a programme

supporting scale and growth, and attracting direct impact investment from private investors. It provides a package of the following:

- Seed funding
- Investment readiness and business support
- Connections to social investors and access to industry mentors
- Opportunities for peer to peer support and learning
- Access to additional match grant funding and co-investment.

4. Support and assist a growing movement of social entrepreneurs to penetrate the mainstream economy by raising the profile of social enterprise as a viable, democratic and socially responsible way to make profit and run businesses.

Firstport has prioritised advocacy of business success through social entrepreneurship as a means of influencing alignment between business development and social responsibility. This has encompassed showcasing best practice and impact through a variety of methods including traditional and modern marketing strategies, research and evaluation, and dissemination of learning. Consequently, this has enabled an increasingly influential organisation to inform national and local policy, programme design and optimum delivery outputs.

## Outputs and Impact

Since 2009, Firstport has directly invested more than **£6m** in start-up social enterprises from a range of sources including Government -supported funds, grant support from Trusts and The Big Lottery. Evidence has demonstrated that the positive influence and value acknowledged by the recipients include access to resources and networks as well as increased confidence and personal resilience – all of which has contributed significantly towards their business success.

Within the first 10 years of operation there have been over **5,000** enquiries with research demonstrating a positive influence on success in **87%** of

cases. More than 1000 enquiries a year are now fielded across its programmes.

Firstport has provided investment for more than **800** social entrepreneurs. Diversity, as one of the organisation's priority aims, is an important impact measure. Therefore, key success factors include:

- More than half of the start-ups that the agency has supported are women (**57% compared to 51% nationally**) \*
- Over a third are aged between 16 and 35 (**36% compared to 25% nationally**)
- A quarter (**25%**) live in rural areas
- **8%** come from minority ethnic **backgrounds (compared to 4% nationally)**.
- **15%** of social entrepreneurs supported are from the most deprived parts of Scotland.

Of the businesses supported more than two years ago:

- 81% of ventures are off the ground
- 61% of the ventures have attracted further funding
- 49% have taken on premises

In addition, Firstport's evaluation demonstrates that, after the first decade of providing support, the employers assisted by the service proceed to employ an average of 3 people. This rises to an average of 5 for those assisted 5 or more years ago. Furthermore **80%** of the social entrepreneurs also create volunteering opportunities. As a result, wider impact research shows that approximately **560 people** per month benefit directly and indirectly from the work Firstport does – this encompasses local intense impact as well as wider-ranging benefits including improvements around health, education and social engagement.

\* The inclusivity statistics have been drawn from comparisons using The Scottish Social Enterprise Census, UK- wide social enterprise data and UK- wide SMEs.

## Conclusion

Firstport is a dedicated service, supported by Scottish Government and other partners, operating to achieve a number of priority objectives, all of which aim to identify, inform, nurture and accelerate start up social enterprises. It provides practical, financial and expert support to social entrepreneurs with ambitions for their local communities as well as supporting social enterprises to achieve national and international business goals. As a social enterprise in its own right Firstport has credibility within the sector. It acts as a critical conduit to other mainstream and niche support as its client base progresses into sustainable businesses looking for different expertise and guidance.

Without its ability to identify potential and enable success from the early stages of idea formation many social enterprises would fail to get traction in the wider eco-system. Similarly, as a strong ambassador for the business model, Firstport has been instrumental in encouraging Scottish entrepreneurs to appreciate the potential and value of developing their business in this way as well as seeking and encouraging private investors to consider and engage in the social business economy.

## Fact-Box

**Name of the intervention:** Firstport for Social Entrepreneurs Scotland

**Objective:** Provide a national service of business support aimed at social enterprises and enterprising third sector organisations.

**Nature of intervention:** Programme and bespoke business support for start-up social enterprises and new social entrepreneurs

**Time of implementation:** 2007 - present

**Costs:** £650k per year with income sources including the Scottish Government, Highlands & Islands Enterprise, Impact investors, and Private sector businesses.



**Outcome:**

- Scotland's first and only social enterprise accelerator programme LaunchMe securing over £1m of private investment along with over £700 of match funding to 13 high growth enterprises
- Grants awarded to over 800 individuals.
- More than 5,000 enquiries from budding social entrepreneurs have been addressed.
- 87% positive influence on eventual success of the social ventures.
- Since 2009 more than £6m has been invested in start-up social enterprises

**Transferability (high/medium/low):** medium.

## First RaiSE Good Practice – ART-ER

***“How the application of the Emilia-Romagna Regional Law n. 17/2005 for the employment of disabled people promotes a virtuous relation between profit & no-profit sectors encouraging social enterprises competitiveness”***

### Introduction of the instrument

The Italian National Law 68/1999 promotes the integration of disabled people into the labour market through support and targeted placement actions, with personalized insertion tools, taking into account the particular needs of this category of citizens. The recipients of the legislation are also public and private employers, including non-entrepreneurs, as well as political parties, trade unions and non-profit organizations operating in the field of social solidarity, assistance and rehabilitation. In particular, defined reserve shares are set for disabled people, which the employer is obliged to respect:

- a) For employers with 15 to 35 employees, there is an obligation to hire a disabled worker in case of new hires;
- b) For employers who employ between 36 and 50 employees, there is an obligation to employ two disabled workers;
- c) For employers who occupy more than 50 employees have the obligation to have 7% of employed workers on their disabled employees.

The system also provides for monitoring the fulfilment of the mandatory quotas.

Article 15 of the Law establishes that, after 60 days from the date on which the obligation to employ disabled persons arises, for every working day during which it is not covered, for reasons attributable to the company, the employer pays a penalty proportional to the period of discovery and can

reach even very high amounts if the employer is late to regularize the default. Despite this, many companies, especially the biggest pay the fines rather than comply with the obligations of employment with the consequence of a high percentage of disabled people who cannot find work.

To tackle the problem deriving from companies which did not fulfil the obligation of the compulsory recruitment of disabled people in workplaces, in 2005, the Emilia-Romagna Regional Government issued the law 17/2005 "Rules for the promotion of employment, quality, safety and regularity of work". With the Regional Law 17/2005, even people with mental disabilities or in particularly serious conditions can find a job in a concrete way **thanks to an original conventional system that provides for their inclusion in social cooperatives or consortia**. In practice, the company that according to the law 68/99 would be obliged to hire the disabled may for up to 30% not proceed with the insertion in the company, **if it outsources part of the activity towards a social cooperative that inserts for the precisely such workers**.

In this way, the Emilia-Romagna Region tries to remedy the problem of non-compliance with the obligation to hire disabled people, but also creates a link between profit companies and social cooperatives. The former benefit from the fact that instead of paying fines they use the same money to outsource services to social cooperatives. The latter, in addition to employing disabled people as their own mission and for fulfilling their recruitment obligations, benefit from an increase in activity and economic resources.

### Description of the problem tackled

From the moment of its approval, companies have very often disregarded the obligation of the National Law, particularly the larger-sized, for whom the penalties provided for non-compliance proved to be more cost-effective than recruiting staff with disabilities. The economic crisis contributed to weakening the solidity of the Italian companies with the result that that very few of them enrol new staff. Actually, the companies

with greater financial difficulties often request to be exempted from the obligation to cover the minimum 7% share of employees with disabilities. This situation has generated three main consequences on which the Regional Law intervenes: a very high percentage of disabled people who find it difficult to find a job, the difficulty of social cooperatives for job placement to obtain orders and provide services to businesses, and the dispersion of capital that could be used to generate social value.

The innovation and the value added by the Regional Law specifically resides in its **article 22**, which introduced the possibility for enterprises and social cooperatives to draw out agreements upon labour integration, in order to employ workers belonging to protected categories. More specifically, Public Administrations, enterprises and type B Social Cooperatives (i.e. those aimed to employ disadvantaged people) or their Consortia, sign the agreements introduced by article 22. Through the agreements, profit enterprises assign work orders to Cooperatives/Consortia, the latter hire workers with disabilities on the bases of the contract value. In this case, the company with the purpose of fulfilling the recruitment obligations provided for by Law 68/99 can count workers with disabilities. Recruitment must take place in compliance with the criteria defined by the Framework Convention of the Emilia-Romagna Regional Government. This was agreed in June 2017 (and then renewed in December 2017) by Employers' Associations, Trade Unions, Representation Assistance and Protection of Social Cooperatives and Associations of people with disabilities with the aim of widening and integrating the range of tools and modalities of recruitment of disadvantaged people.

### **Specific objective & intervention logic**

The objective of Regional Law n. 17/2005 and of the framework agreement is to encourage enterprises to outsource some of their services by entrusting them to social cooperatives, which in turn employ staff with disabilities. On the one hand, for the company it is more convenient at the same cost to provide funds in favour of social cooperatives and receive services in exchange, rather than disperse money by paying the sanctions

provided for by Law 68/99. These were furtherly increased by a new bill issued by the national government (Legislative Decree No. 151 of September 14, 2015). On the other hand, social cooperatives and employees can operate in new market segments and increase their competitiveness. The basis of the intervention is the alliance between Public Administration, businesses and social cooperation deriving from the concertation and participation activities that characterize Emilia-Romagna.

### Actors & beneficiaries

Direct beneficiaries: disabled workers.

Indirect beneficiaries: social cooperatives and profit enterprises.

Actors: Public Administration (Emilia-Romagna Region, Local Authorities), Associations representing businesses and social cooperatives, Trade unions.

### Impact created

The conventions pursuant to art. 22 of the Regional Law n.17/2005 allow signing an agreement through which the profit company, subject to the obligation of recruitment, can choose to outsource contracts (with equivalent value to the employment of one person) to the social cooperative, which in turn commits itself to hire disadvantaged people instead of the company. This is an opportunity for the cooperative and at the same time is an important step for the company, which has the chance to create significant connections both with the social cooperative and with the disadvantaged people involved in the project. **This process generates a phenomenon of territorial development and a virtuous link between the profit and non-profit world.** The implementation of Article 22 had a slow motion start, however in the recent years the preliminary orchestration - made by the social cooperative associations with the associations representing the profit companies have risen the attention towards it. At the date of 3/31/2017, there were 262 agreements engaging 30 social

cooperatives in the area of Emilia-Romagna, and 424 workers with severe disabilities have benefited from it. The turnover generated is around 6.9 million euros. The main services that social enterprises offer outsourced by profit companies concern: cleaning, green maintenance, administrative-secretary activities, digitization activity, third party processing, social media activity. Now, a catalog is being drawn up to collect all the services implemented in the region and to map the implementation of Article 22.

### **Why is this a Good Practice?**

The introduction of the Regional Law n. 17/2005 in the legal framework of Emilia-Romagna represents in itself a good practice. Actually, it allows the companies and social cooperatives of Emilia-Romagna to enter new market segments with a triple result:

- to face the social challenge given by the difficulties for severely disabled people to find a job;
- to guarantee the compliance with a National Law (68/99);
- to strengthen the competitiveness of the enterprises of the “social economy”.

The European states approach the placement of people with disabilities in diversified manners: some countries have mandatory quotas (as Italy, Spain, Germany and France), while other countries (such as Ireland, the Netherlands and the United Kingdom) do not.

However, the placement of disabled people represents a common challenge for both services and social cohesion and an opportunity for competitive growth. The activity of listening and orchestrating that take place within the Regional Tripartite Commission between beneficiaries and stakeholders - who together with the Emilia-Romagna Region have agreed the Framework Convention - represents a transferrable model. It can be applied in different cultural, economic and geographical contexts and guarantee a wider correspondence between the needs of end users and the responses provided by the Public Administration. In this sense, the

good practice provides a good example of service design aimed to favor the encounter between economic sustainable growth and social needs. The role of the Public Administration is herein fundamental for its capability to orient and address the action of the private part while safeguarding the public interest in a logic of subsidiarity. The private profit actor the social no profit actors never substitute the Public role, rather they concur to the achievement of the general social interest of the public.



## “Success story”

### “Interviewing the social cooperative that has an agreement with Ferrari SPA”

#### **What are the benefits of the Convention Pursuant Article 22?**

*The Convention benefits people with disabilities, even serious ones, which can be employed in a social cooperative, which in turn has the advantage of acquiring a new job order thus increasing the work for its members and workers.*

#### **What is the impact?**

*Aliante currently has 16 active agreements with companies in the province of Modena for a total annual turnover of about 500,000 euros (2018). Among the companies with which it has stipulated a Convention pursuant to art. 22, there are realities known nationally and internationally as FERRARI Spa. 27 disabled workers are included through the agreements. The impact on the growth of the cooperative is also significant both in terms of quantity, therefore of turnover, and in terms of quality, as the activities and services required by companies often require high standards.*

#### **Added value and weaknesses?**

*The Convention allows promoting a system of knowledge and collaboration between profit enterprises and social cooperatives. This way, the enterprises have the opportunity to know a new world that can be a valuable resource for other types of needs or services. This also represents a great investment opportunity for social cooperatives. The weakness concerns the problem that*

*Employment Centers do not always take into account the fact that people must have a minimum working capacity.*

**Do you think it is a good practice to transfer? Why?**

*Absolutely yes. Creating a network between the productive system and social cooperation means creating new jobs for the most vulnerable citizens and increasing social cooperation from a qualitative point of view.*

Aliante is a social cooperative of both type “B” (insertion at work) and “A” socio-educational services. It was established in 1993 with the aim of combating the exclusion of the weakest citizens by defending the right to work and sociality. It manages nurseries, kindergartens, residential, semi-residential and territorial projects for minors, proximity services for young people. It employs over 520 workers, 68% of whom are women; in type B activities, 58% of workers are disadvantaged and disabled.

**Fact-Box**

**Name of the intervention:** Regional Law 17/2005 "Rules for the promotion of employment, quality, safety and regularity of work"

**Objective:** promote employability of disabled people by creating a virtuous relationship between profit & no profit companies encouraging social enterprises competitiveness

**Nature of intervention:** legislative

**Time of implementation:** 2005 – ongoing

**Costs:** the intervention does not foresee costs

**Outcomes:** 30 cooperatives, 262 agreements, 424 disable workers employed, generated turnover around 6.9 million euros

**Transferability (high/medium/low):** medium



## Second RaiSE Good Practice – ART-ER

***“Agriculture is social: how strategies for local employment and environmental efficiency can lead to social oriented agricultural enterprises and market”***

### Introduction of the instrument

In 1989, in Emilia-Romagna, the eight municipalities of the Bassa Reggiana (province of Reggio Emilia) and the Local Health Unit created a recreation area for people who had difficulties in working and in finding job opportunities. This space, which was initially only a meeting point, became over the years a productive agricultural farm. Successively, thanks to the agreements signed with the local public administrations, the public financial subsidies and the support of a private local cooperative, a social cooperative called "Il Bettolino" was set up. In 2003, the agreement between the municipalities of the Bassa Reggiana and the inter-municipal landfill of Novellara offered a great opportunity for the development of the social cooperative and of the whole territory.

In order to provide services for the public administrations in support of the policies for inclusion and labour, the cooperative developed over the years an increasingly entrepreneurial component that translated into the implementation of innovative activities. Landfill waste disposal generated gas that could be conveyed into engines to produce electricity and heat. The above-mentioned agreement stated that the dispersion of electricity and heat would be conveyed to aliment greenhouses where basil is produced.

### Description of the problem tackled

The problem faced by the local municipal administrations concerned the social and labour integration of disabled and disadvantaged citizens

through the development of working experience in the agricultural, industrial, commercial and service sectors. Besides, there was a need to efficiently manage the inter-municipal waste, and this was achieved through the re-use of the energy and heat produced. On the one hand, there was a social problem to be solved, on the other the need to work for environmental sustainability and energy efficiency with the use of alternative energy sources (produced by urban waste in the agricultural field). The greenhouses that were built for the cultivation of the basil are heated thanks to the possibility of recovering the biogas produced by the decomposition of waste and its conveyance to large engines that produce alternative renewable energy. This complex procedure makes it possible to reduce diesel consumption and ensures a reduction of the environmental impact.

### **Specific objective & intervention logic**

The specific objective is to pursue human promotion and the social integration of disabled and disadvantaged citizens through the development of work experience in the agricultural, industrial, commercial and service sectors. At the basis of all the intervention, is the ability of public and private actors (in the province of Reggio Emilia) to constantly focus on the social needs of the weakest citizens of the community. The creation of “Il Bettolino” social coop is a “school case” of public-private collaboration: alongside with the public subsidies, a large productive cooperative of the territory, the Cooperative Muratori of Reggiolo contributed to the development of “Il Bettolino”.

“Il Bettolino” is entrusted by the local Municipalities and Local Health System Unit (which represent the public component) with the activities of job placement and the organization of training internships for disadvantaged people. In order to finance these activities, the local Municipalities transfer to “Il Bettolino” 100,000/120,000 Euro per year.

The private part (Cooperative Muratori,) granted the “Bettolino” with hectares of land and some buildings on loan for use. Finally, the eight municipalities of the Bassa Reggiana and the Novellara landfill

management company allow the reuse of waste - converted into biogas - in the nearby basil greenhouses of “Il Bettolino”.

The public intervention is consistent with Italian National law 328/2000 "Framework law for the implementation of the integrated system of social interventions and services", the Regional laws n.17/2005 "Rules for the promotion of employment, quality, safety and regularity of work" and n. 2/2003 "Rules for the promotion of social citizenship and for the implementation of the integrated system of social interventions and services" (the Health Local Unit exercises the function of government jointly with the associated Municipalities).

## Actors & beneficiaries

Actors: Local public administrations and entities (8 municipalities of the "Bassa Reggiana", the Local Health Unit), private (local cooperative for construction, cooperatives and leading companies in the large-scale retail trade). Beneficiaries: disadvantaged people, citizens of the territory.

## Impact created

- For its impact in terms of social cohesion<sup>1</sup> and environmental well-being of an entire community, the experience of "Il Bettolino" is an example of good practice in Emilia-Romagna and at the national level, as it is easily replicable in other municipalities. Furthermore, the production of quality basil, through innovative techniques, has aroused the interest of large retailers (85,000 kg of basil per year, 50% of which is sold in bulk to companies and 50% packaged in trays and marketed by the largest retail chains with “Il Bettolino” brand).

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<sup>1</sup> Here understood as a community "that works for the well-being of all its members, fights exclusion and marginalization, creates a sense of belonging, promotes trust and offers its members the opportunity for an upward social mobility". This social cohesion becomes both an end and a means of inclusive development.

- Environmental protection and production from reuse of biogas: 5,000 square meters of greenhouses inside the intercommunal dump, where basil produced in a floating system, and 5,000 square meters of greenhouses in Reggiolo where organic herbs in pots are produced.
- Increase in productivity and agricultural profitability and employment of the territory, also compared to the categories of disadvantaged workers:
  - 52 employees (30 of whom have disabilities);
  - In 14 years, paid € 13,000,000 salaries.

### **Why is this a Good Practice?**

Social farming makes it possible to develop innovative paths for the wellbeing, social assistance and economic development of the communities. It represents a new model of welfare: it is an operational tool through which local and regional governments can implement social policies in the area. Experience shows that it is possible to pursue social goals (job placement and integration of disadvantaged people), improve and optimize food distribution, reduce environmental and social impact through the transformation and marketing of aromatic plants (in particular basil, and flowers) with great attention to energy recovery. Social Agriculture is also characterized by the presence of several stakeholders who plan, organize and participate in various activities: firms, social cooperatives, local health authorities, municipalities, associations, citizens, schools, public bodies, local development agencies, training organizations, University. Through various forms of collaboration, Social Agriculture thus facilitates the encounter between different social needs and multi-functional skills and opportunities. The Emilia-Romagna Region is focusing on social agriculture: the social cooperative Bettolino is the testimony of

the excellent results that can be obtained and a model replicable in Italy and Europe.



### **“Success story”**

#### ***“Social Cooperative Bettolino: an example of social farming in Emilia-Romagna”***

President Francesca Benelli, Alberto Bertazzoni - administrative and production manager and Mirko Luppi - basil sector responsible tell the story of a successful choice.

"The social innovation of Bettolino can be summarized in three words: energy, biological, solidarity or social".

Il Bettolino is a social cooperative located near Reggio Emilia and has worked in the area for about 25 years. It is a social cooperative because its main mission is to include disabled people. "We mainly cultivate basil because we have the possibility of having a greenhouse inside the inter-municipal landfill. The gas produced by waste is conveyed into engines that produce electricity and hot water, two factors that allow the cultivation of the excellent basil 365 days a year. Three years ago, we made the choice to move from a conventional to organic production because we believe we are giving an increasingly healthy and good product to our final consumers ". The basil is studied in detail and cultivated through the hydroponic technique that guarantees excellent quality. There are 52 employees in Bettolino, of whom 30 are people with disabilities, between 18 and 65, sent by local social services. "The choice of basil is an important choice to tell the story of Bettolino, who we are, what we do. A story of courageous choices to give dignity to different people ". The Cooperative is ISO 14001 certified (Environmental Certification).

## Fact-Box

**Name of the intervention:** Agriculture is social

**Objective:** job placement, environment sustainability and energy efficiency, social cohesion.

**Nature of intervention:** local policies, agreements, national and regional laws, private donation.

**Time of implementation:** since 1989

**Costs:** Local administrations grants with around 100,000/120,000 Euros through the agreements for job placement and educational/social-health-care services. Private: 14 hectares and buildings on loan for use.

**Outcomes:** a replicable model of community welfare and for the development of territories, based on social cohesion as a tool and means of inclusive development.

**Transferability (high/medium/low):** medium/high

**“Success story”:** Social Cooperative “Il Bettolino” - <http://www.ilbettolino.it/>

### Third RaiSE Good Practice – ART-ER

***“When social needs merge with research, innovation and environmental sustainability: a case of circular economy and social finance generated by a public fund”***

#### Introduction of the instrument

In 1991, the psychiatric service of the Local Health Authority of Cento (Ferrara) founded an agricultural cooperative with the objective to offer job opportunities in a protected work environment. Local Municipalities entrusted the cooperative with the rehabilitation of social and employment skills of vulnerable people through instructional apprenticeships in accordance with art. 4 of the National Law 381/95<sup>1</sup> and the Regional Law 14/15<sup>2</sup>. Thus, the specially created cooperative has accepted socio-rehabilitation and work activities in its production sectors such as environmental care, waste treatment and urban furnishings. Subsequently, the needs of the territory, in addition to social and labour inclusion, have paid attention to the reduction of the environmental impact deriving from the disposal of waste. In this regard, it was necessary, on the one hand, to acquire specialized skills, on the other hand, create a waste disposal facility. These new needs, in 2016, brought innovation to the cooperative with the activation of a process of transformation of the waste produced in the surrounding territories into secondary raw materials. This gave rise to a real process of circular economy. The Regional Operative Plan of the European

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<sup>1</sup> National Law n.381/1991 “Social cooperative regulation” introduces a new type of enterprise with an explicit social aim. According to the law, the purpose of social cooperatives is to ‘pursue the general interest of the community in the human promotion and social integration of citizens’.

<sup>2</sup> Emilia-Romagna Regional Law n.14 2015 "Discipline to support job integration and social inclusion of people in conditions of fragility and vulnerability, through the integration of public employment services, social and health" aims to promote and support job placement, social inclusion and autonomy through the work of people in conditions of vulnerability and fragility.

Regional Development funds for research and development financed 100,000 euro for biofuel production. This cash income was crucial to start modernization, but insufficient to generate innovation and productivity. At this point, the cooperative, having received public funding, albeit limited, has developed a social finance action. A pool of banks, including a cooperative bank and Banca Etica, has granted a loan (mortgages and leases) for around € 4,000,000. Additional resources equal to about 1,000,000 euro derived from the equity value of the cooperative through reserves and personal loans of the shareholders.



### Description of the problem tackled

The problems faced by the Local Health Authority of Ferrara and Municipalities of Bologna, Ferrara and Modena derive from two main needs: 1) to create and maintain work for disadvantaged people beyond the resource capacity of their social services. 2) Organize the treatment of organic and non-organic waste in a simpler and cheaper way.

Therefore, the creation of a social cooperative responded primarily to the need for work inclusion; secondly, to the necessity of workers for green care and waste management and disposal. Thanks to the social cooperative, the local institutions originated an entity that had the ability to develop more and more to ensure its livelihood until it became a real enterprise at the service of the community. The born social enterprise then generated a virtuous process of innovation





that in turn responded to two needs. The first was undoubtedly that of keeping up economically beyond the insufficient public resources, the second of gaining income to maintain its activity at the service of the community. The role played by the public sector has been crucial for the start of the cooperative and, through an ERDF call for research and innovation, for fostering the whole innovation process but the entrepreneurial ability combined with the sense of community of the cooperative management has given the success.

### **Specific objective & intervention logic**

The specific objective is to guarantee work integration and community wellbeing, promoting environmental efficiency and a sustainable production model that guarantees savings and revenues. The logic of the intervention is based on the generation of a circular process able to provide benefits to the public system and to the community. In fact, waste management and recovery represent a challenge for municipalities and citizens, both for management and environmental reasons. The composting plant, managed by the social cooperative through the employment of disadvantaged workers, transforms waste into new resources that can be used by the agricultural sector and, thanks to this process of "circular economy" helps reduce the impact negative treatment of waste on people's health.

### **Actors & beneficiaries**

Actors: Local Health Authorities and Public Companies for Services to the person of the Municipalities of Bologna, Ferrara and Modena, for profit companies and banks. Beneficiaries: disadvantaged people, workers of the cooperative, citizens.

## Impact created

- Employment Increase and job inclusion within a local community that embraces three provinces (about 100 people employed in the cooperative of which 55 disadvantaged).
- Development of entrepreneurial skills in the environmental sector on the management and treatment of urban waste and in the ability to find sources of funding both public and private. Since there were insufficient funds dedicated to social enterprises, the cooperative's management has increased its skills in identifying alternative sources of finance, specializing also in the environmental sector.
- Development of a logic and an entrepreneurial model starting from a social service carried out for the community.
- Research and innovation development regarding the implementation of the composting plant.

## Why is this a Good Practice?

The composting plant is located in an area at the merging of the administrative boundaries of three different provinces and works in cooperation with the three respective multi-utility companies.

Therefore, it can help to strengthen and increase regional territorial roots social cohesion. It represents a good practice in terms of:

- Social innovation (a very modern plant based on research and development activities, realized also through public resources, employing disadvantaged people therefore at the service of the community);
- A social enterprise successfully accessing to the market to increase its competitiveness (savings/investments/revenues and new services);

- Development of managerial and organizational skills (ambitious project) in order to give targeted answers to the needs of the surrounding territories.
- Social finance (private and public funds using different social finance tools – own capital/equity fund/loan and public tender);
- Stimulating a more integrated and systemic public intervention that would benefit social enterprises and promote its access to the market. For example, this can be done through a system of reward in public tenders dedicated to companies that perform a service for the community (e.g. work inclusion)
- Circular economy that generates a social impact (waste management and recycling as a service for the community in addition to the creation of labour for disadvantaged people. Moreover, environmental education activities for students are carried out inside the composting plant);
- Environmental sustainability and efficiency (a photovoltaic system with a power of 194 KWp supplying energy to the electrically powered grinder and sieve is located on the roof of the prefabricated building of the composting process. The green and the organic waste are conferred a few kilometers away from the place where they were produced, with advantages in ecological terms).

## Fact-Box

**Name of the intervention:** “When social needs merge with research, innovation and environmental sustainability: a case of circular economy and social finance generated by a public fund”.

**Objective:** guarantee work integration and community wellbeing, promoting environmental efficiency and a sustainable production model that guarantees savings and revenues.

**Nature of intervention:** social inclusion, social innovation, access to market, social finance, circular economy, jobs and work integration, environment sustainability

**Time of implementation:** 1991 – ongoing

**Costs:** Investment of € 5,100,000/revenue € 1,200,000 per year

**Outcomes:** 100,000 inhabitants involved in the catchment area, 40.000 tons of waste treated each year, 8.000 tons of bio fuel produced every year, 240 Mwh/year of renewable energy produced, 180 new work insertion paths activated, 55 disadvantaged people, 1 competitive social enterprise in the market (Città Verde)

**Transferability (high/medium/low):** low-medium

**Success story:**



[La Città Verde social cooperative - Overall description](#)

[La Città Verde social cooperative – The composting plant](#)

## First RaiSE Good Practice – ÖREBRO *The Caravan of Ideas*

The city of Örebro has a long tradition of shoe making. There is an old local saying: “It’s the one who wear the shoes that knows where it’s aching.” We are convinced that there are many people in the county who have ideas on how to tackle societal challenges in new, more effective and smarter ways than before. However, people from these groups or areas may not have the knowledge on how to realize their ideas. Typically, when working with community development and similar topics, we organize workshops and events at a conference venue, often in a larger city with good communications. This approach works well in most cases, but there is a tendency to only reach “the usual suspects”, thereby missing important perspectives of the groups most affected, who rarely attend these events. The caravan of ideas is a way to turn this practice on its head. We go to places where people’s shoes ache, with the expectation that they will have ideas on how to make them fit better.



The caravan of ideas tour - our “bottom-up” oriented mobile hub, is a simple idea, both to understand and to incorporate: Put together a group of advisors from several organisations, with expertise in differing relevant fields, take a caravan and travel to the areas where shoes ache. Share a cup of coffee and listen. The group of advisors is able to consult in the development of ideas as well as on possible financial solutions. It is important that the participating organisations have complementary skillsets and a long-term interest in addressing the issues at hand. The caravan of ideas tour started 2017 with six stops in the county. A long-term perspective is important since routines, procedures and concepts

continuously need to be developed. Therefore, the caravan will continue its journey through the county 2018 and 2019.

During 2017, the social enterprises in Örebro County participated in a study surveying the state of the sector. In the study the social enterprises expressed a need to develop new areas of business activities. The Caravan of ideas tour has proven useful in finding new areas of business in the social domain. In some cases, the originator of the idea wants to start a new social enterprise. In other cases, the originator has no interest in working with the idea, but would like someone else to “make it happen”. The advisory group can channel these ideas to existing social enterprises as a starting point for creating new services. Ideas not suitable for business ventures are expected to be valuable in creating new, or in informing development of existing, public services.

The Caravan of ideas is transferable to other geographical and territorial contexts in Europe. It represents a solution on problems and challenges where there is a need to meet “ordinary citizens” or groups not usually involved in traditional forums for innovation and entrepreneurship.

### **The importance of a network**

In our implementation of this policy we use our regional network - the Partnership for Social Innovation for staffing the caravan advisory group. The Partnership is a network comprised of more than 30 organisations, from different sectors in the society and with different areas of expertise. The partners share a common interest in creating or supporting social innovations and the social economy. The Partnership is coordinated by Region Örebro County and membership is free and voluntary. Partners are evenly distributed between social economy organisations and public bodies. Since its formation in January 2015, the Partnership has become the natural forum for discussions on social innovations and social economy. It serves as an ideal platform for the policy implementation due to the already committed partners having both the experience, expertise and mandate dealing with the questions at hand in an organized long term

partnership. The setup period for the policy would be extended considerably without a similar previously existing platform.

The policy cost can vary depending on implementation and available resources. The overall cost for our implementation of this policy can be broken down as follows:

$5000\text{€} + X*1350\text{€} + Y*620\text{€}$  (Where X is the number of tour dates and Y is the number of years of caravan ownership) which for 2017 resulted in a cost of 14000€. The majority of the costs in a long-term implementation are salary costs, which are split among the participating organisations.

The ideas are documented and the progress is monitored bimonthly. How far has the idea progressed since the last review? Which organization is responsible for further development and what actions are needed to actualize the ideas?

So far we have received 15 ideas that we consider interesting and possible to develop into social innovations. The ideas are in different stages of development and span over many different sectors. Results so far include e.g. the formation of new collaborations between organisations and creation of new services and employments within existing organisations. Following is a list of a few of the ideas.

- Medical equipment improvements/innovation
- Several business ideas for social enterprises
- Green economy conversion of a local semi-rural community
- Converting black market jobs to regular employment
- Community based integration service

## A Success Story

Hällefors is a municipality in the northern part of Örebro County. It is one of the municipalities in Sweden attempting to break free from the traditional corporate structure. It has a long history of iron and steel production. During the last two decades the municipality has made investments in culinary projects and has developed a closer cooperation with the faculty of Culinary Arts, Örebro University. Despite these efforts,

there is a great need to break free from the tradition of technology-based industry and to involve citizens in new and strategic development initiatives.

When the caravan of ideas made a visit in Hällefors, we met a person with an idea on how Hällefors could reinvent itself as a response to increasing difficulties in keeping services and jobs in the area. He proposed a focused effort to develop a green economy center, integrated in the local community, providing with new jobs and training opportunities. New social enterprises are possible ingredients in the future solution. The idea has met a great interest from politicians and public servants in Hällefors municipality. The next step has already been taken and a working group - consisting of the individual who initiated the idea, representatives from the municipality of Hällefors, Region Örebro County, Örebro University and local social entrepreneurs –is laying the foundation for a democratic and bottom up-oriented initiative in the community.

### Fact-Box

**Name of the intervention:** The Caravan of ideas

**Objective:** Finding new solutions for societal challenges

**Nature of intervention:** “Bottom-up” oriented mobile consulting hub

**Time of implementation:** From early 2017 and currently ongoing

**Costs:** 14000€ for the first year of implementation

**Outcome:** 15 ideas that are considered interesting for further development into social innovations.

**Transferability:** high

**County background:** There are 12 municipalities in Örebro County with a total population of 300 000. Half of the population in the county lives in Örebro municipality. Several of the municipalities in the county are small and have difficulties in retaining public services and work opportunities.



## Second RaiSE Good Practice – ÖREBRO

### *Partnership for Social Innovation*

social  partnership for  
innovation

#### Introduction of the instrument

Addressing and tackling societal challenges often calls for new ideas and collaboration across sectors. Therefore, a regional partnership was established in Örebro County, Sweden, in January 2015, with the aim to identify and collaborate on promoting and creating social innovation. The partnership for social innovation originated from a cooperation established in the mid 1990's, where the civil society and the public sector decided to meet on a regular basis to discuss activities related to social economy. Civil society/social economy organizations are at the heart of the partnership, along with the public sector, private enterprises and Örebro University. In June 2018, the partnership had 34 participating organizations. Region Örebro county is the coordinating entity.

#### Description of the problem tackled

The nature of Social enterprises, social economy organizations and social entrepreneurship is one of overarching the existing structures in society and government. Traditional structures for business and innovation support are often not well equipped to provide adequate development support due to no one single entity carrying the responsibility for issues that spans across several sectors. The consequence of this problem is that these enterprises and actors, who may be the ones most in need, have greater difficulties finding support than traditional private enterprises.

#### Specific objective & intervention logic

The Partnership for Social Innovation provides a much-needed platform for both discussions and actions on all topics related to tackling societal challenges in new ways. The collaboration greatly expands the knowledge, experience and expertise bases of each participating organization.

The Partnerships primary responsibilities consist of providing support for new ideas, project coordination, information/communication, internationalization and exchange of regional experiences.

Our cooperation is built on a foundation of principles agreed on by participating entities during extensive preparations. The principles include:

- Low entry threshold – No entry or yearly fee for participation. Be inclusive and create conditions for groups lacking resources and involve those who are not normally active in the innovation and business support systems. Each organization decides the scope of their participation.
- Persistency and pragmatism- It takes time to develop new solutions on societal challenges. It also takes time to form important interpersonal relationships that form the bedrock for easy access and cooperation in future endeavors.
- County wide focus - Be active in the entire region– Do not use one physical location.

## **Impact Created**

A regional forum for cooperation on new solutions to societal challenges through social innovation and social enterprises that is receiving interest from actors on regional, national and international levels.

We have enhanced understanding for social enterprises, entrepreneurship and innovation within Region Örebro county resulting in public procurement contracts for social enterprises in the region.

We are invited to participate in projects of both research and action-oriented natures. The Partnership has created new interpersonal bonds between individuals and organizations.

## A Success Story

As a consequence of the seminars on socially-responsible procurement organized by the Partnership for social innovation, one work-integrated social enterprise has established a long-term agreement with Region Örebro County. According to the new agreement Cykelreturen (ReCycle) will be providing service of employee-bicycles. This was the first agreement between Region Örebro County and a work-integrated social enterprise. More agreements with work-integrated social enterprises will come.

## Fact-Box

**Name of the intervention:** The Partnership for Social Innovation.

**Objective:** Finding and creating new solutions to societal challenges.

**Nature of intervention:** Forum for discussion and action.

**Time of implementation:** January 2015 – ongoing.

**Costs:** Each organization provides funding in the form of working hours of a spokesperson.

**Outcome:** Ongoing idea development support service

**Transferability (high/medium/low):** high