



GOOD PRACTICE INVENTORY



European Union
European Regional
Development Fund

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I. FOREWORD

Recent years have seen a burgeoning interest in social enterprises (SEs) across Europe, strongly driven by a growing recognition of the role social enterprises can play in tackling emerging challenges. Particularly in the current period of economic and social recovery, social enterprises are able to bring innovative solutions for social cohesion and inclusion, job creation, growth and the promotion of active citizenship.

Social enterprises contribute to smart growth by responding with social innovation to needs that have not yet been met. For instance, many social enterprises take it for granted to encourage workers to learn and update their skills. They also create sustainable growth by taking into account their environmental impact and by their long-term vision. For example, social enterprises often develop efficient ways to reduce emissions and waste or use natural resources. In addition, social enterprises are at the heart of inclusive growth due to their emphasis on people and social cohesion: they create sustainable jobs for women, young people and the elderly. It is precisely the positive impact of social enterprises on society, the environment and communities which can contribute to implementing the Europe 2020 Strategy and the aim of the Single Market Act for a 'highly competitive social market economy'.

Yet, despite interest in and the emergence of examples of inspirational and 'disruptive' social enterprises, relatively little is known about the scale as well as the ecosystems of the emerging social enterprise 'sector' of Europe as a whole. Best practices across Europe show that social enterprises are effective & efficient policy tools at policymakers' hands to reduce territorial disparities, bridge the public private sphere and to boost economic growth, employability of vulnerable social groups by improving the performance of regional development policies and programmes.

Despite most social enterprises lack adequate resources (access to finance, markets, skilled workforce, supportive policy measures, entrepreneurial skillsets), yet, only eight countries (Bulgaria, Greece, France, Italy, Luxembourg, Slovenia, Sweden, and United Kingdom) have a policy framework in place to encourage the development of such enterprises via legal, administrative and financial instruments. Motivated by the above fact, SOCIAL SEEDS seeks policy alternatives to improve social entrepreneurship and social innovation landscape in Europe.

We believe that more countries and regions will improve their policy instruments and apply the SOCIAL SEEDS policy diagnostic tool in practice for the more efficient use of ESIF European Structural and Investment Funds in the coming years. However, there is still a long way to go before such good practices are transferred and implemented Europe-wide, and the practical implementation of the policy improvements on the part of national and regional authorities will be needed to enable us to reach our goal.

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II. INTRODUCTION

This good practice inventory aims at providing the SOCIAL SEEDS project with a methodological tool for the quantitative and qualitative analysis of social entrepreneurship and social innovation, as well as the policy recommendations for improved policies in Europe.

1. Good practices guide – what is this?

The good practice inventory which you are about to read presents 20 examples of social economy initiatives from different European countries. Descriptions of the examples include a factual overview for each initiative, with background information and aims, the target group for its work, its structure and activities. Additionally, there is information about the initiative's partnerships and about the promotion tools it uses. Each description has also been enhanced with reflections on the successes and challenges as well as lessons learned by these enterprises.

In a separate chapter, "Tips for success" are gathered as conclusions drawn from the experience of the presented social economy initiatives. These have been enriched by the comments and reflections of experts specialising in human resources issues, business development and support for social economy.

This guide brings together the practical experience of the social entrepreneurs and the expertise of people experienced in developing and supporting social and commercial business. This combination makes the publication comprehensive and useful for different groups of readers interested in various aspects of social economy.

2. Who is this guide for?

This good practice inventory has been prepared for regional and / or national policymakers who want to launch new or improved policy instruments within the current and / or the forthcoming programming period of the European Union on social entrepreneurs and social economy. The primary target group is the ESIF European Structural and Investment Funds Managing Authorities. However, the good practices as well as the methodical frame can also be useful for regional and local policymakers too who support future social entrepreneurs, for example institutions and organisations promoting social economy, facilitating the economic activation of unemployed and the integration of other vulnerable groups into the labour market. Finally, the inventory is addressed to all who want to find out how social economy enterprises and innovations works in different countries and regions. It is aimed at providing readers with information, inspiration as well as tips for success.

3. What we were looking for while preparing the inventory?

The aim of the inventory is to present a variety of social enterprise initiatives functioning in Europe. Therefore, the selection of good practices described in the publication covers examples from a number of European countries and includes different social economy models, from the Italian system based on cooperatives to the Central and Eastern European model focusing on non-profit organisations and community interested companies. The inventory contains quite a few examples from Hungary, Slovenia, Poland, Czech Republic where the social economy sector is still being shaped. Because of the similarities between Central European countries and Estonia, it seemed logical to share the experience of these

enterprises. The inventory includes presentations of initiatives established with various aims, among them enterprises focusing on sustainable development and protection of the environment as well as social cooperatives providing jobs for vulnerable groups.

The described initiatives have different structures and different areas of work. They are producers as well as providers of services. They build partnerships with various actors, including businesses and local communities. The presented initiatives answer to a variety of needs and have different backgrounds. Some of them have been created by individuals, and other by groups of people. Some are implementing an innovative vision for socially responsible business, while others were established by employees of bankrupted companies who wanted to continue working in their field. All together, the examples gathered in this inventory reflect a diversity in the world of social enterprise initiatives. The selection was made with the aim of presenting examples suitable for duplication in the emerging SOCIAL SEEDS context, as well as describing those more developed initiatives in order to illustrate the possibilities for social enterprise enhancement in the longer perspective.

4. How did we find them?

This inventory has been prepared based on information gathered through desk research as well as through interviews with representatives of the presented social enterprise initiatives, NGOs, intermediaries, social enterprise catalysts and experts in related fields. Most of the enterprises and initiatives described in the inventory have been presented in directories or publications showcasing best practice and have significant contribution to local economies. Many of the cases showcased are being promoted as good examples of social entrepreneurship by various organisations or institutions in their countries. Similarly, unique business models and social innovation practices are utilising a systemic approach aimed at increasing employment, especially among professionally inactive groups.

III. WHAT IS “SOCIAL ENTREPRENEURSHIP”?

These terms are difficult to specify and the legal regulations vary from country to country. These are definitions as they are being used in the frame of SOCIAL SEEDS.

Social entrepreneurship: The practice of responding to market failures with transformative, financially sustainable innovations aimed at solving social problems. The social enterprise sector is becoming recognized as key to building healthy communities. In addition to creating new jobs and enabling non-profits to sustain their services, there are many areas where they are helping to increase the sustainability of communities:

- Stimulating Economic Revitalization by funding and supporting start-up and expansion initiatives,
- Reducing Poverty by providing jobs, training, resources,
- Addressing Environmental Issues: i.e. recycling, alternative transportation, energy, innovation, ecotourism,
- Providing Accessible Services: housing, health care, daycare, recreation, culture,
- Integrating Immigrants and Marginalized Populations into the economic, cultural and social fabric of the community.

Social Financing: An approach in which Social Entrepreneurs/Enterprises are able to get access to capital from government or investors in order to take their idea from the conception phase to development phase or to grow their enterprise further. It uses various tools & options to provide financing and is a way of mobilizing capital make a positive impact on the community and on the common good.

Social Impact Investor: Investors who direct their capital investments toward enterprises that deliver a social return and strive to make a positive impact on the community, society and environment. They may be foundations, corporations, government, or individuals.

Social Return on Investment: SROI is a measure of the value received in terms the kind of social difference made by an investment. It is a tool for measuring more than just the financial return as it also takes into account the value of the social, community and environmental impact.

Triple Bottom Line: Approach to the bottom line in which People, Profit and Planet are taken into consideration.

Corporate Social Responsibility: CSR refers to the voluntary actions of a business that goes a step beyond the traditional practices of generating profit to involve themselves in social/ moral responsibilities such as community and social development and sustainable, environmental practices.

Crowdfunding: A method in which small amount of capital is raised by entrepreneurs through small amounts donated by many individuals usually through various specialized Internet platforms such as Indiegogo. Entrepreneurs using this platform may give gifts/rewards for donations at different levels of funding.

IV. GOOD PRACTICE DESCRIPTION

There are more than 160 thousand cooperative enterprises around Europe, which provide 5.4 million jobs to European citizens" (Social economy and social entrepreneurship), apart from the so-called social return on investment (SROI) – the monetary value of social, community and environmental impact of their work. These good practices of champion social entrepreneurs prepare ground for policymakers' actions and policy instruments

Good practices identified, collected and selected finally within the SOCIAL SEEDS good practice inventory will showcase various policy intervention areas for the better enhancement of the social enterprise landscape in Europe. In doing so, good practices are classified into sub-categories. These categories are addressed to emerging grassroot innovation practices for promoting entrepreneurship and tackle grand societal challenges at the same time. The applicable categories are the following:

- Social innovation and services (marked with red)
- New(ly) established social enterprise model (marked with blue)
- Support to disadvantaged social groups (marked with yellow)
- Cooperation atmosphere (PPP public-private partnerships or profit/not-for-profit partnerships enabling social enterprises (marked with grey)
- Regulatory frameworks and initiatives (marked with purple)
- Access to finance (including external funding and crowdfunding) (marked with pink)
- Access to market(s) (including the internationalization approach) (marked with black)
- Social impact (marked with orange)

- Social entrepreneurial skills and competences (marked with green)

V. GOOD PRACTICE COLLECTION

1. Name of the good practice (100 characters)

Please choose a short and illustrative title for your case study!

2. Overview (2000 characters)

The purpose of collecting the good practices is to share ideas, strategies and experiences. Case studies shall serve as models to be replicated and learned from elsewhere. They need to include all relevant information about strategies, experiences, obstacles and how to overcome them to ensure replicability. In this section, state which is the main focus to be highlighted as strong point and to be replicated.

3. Abstract (500 characters)

Please provide a summary!

4. Coherence with the Dimension of the Social Enterprise Inventory

- Social innovation (including services)
- Social impact and measurement opportunities
- Cooperation atmosphere (PPPs)
- Regulatory frameworks and bottom-up grassroots
- Social entrepreneurship skills and competencies
- Access to finance (including external funding)
- Access to market (including the internationalization approach)
- New(ly) established social enterprise model
- Other (specify): _____

You can tick more than one dimension, but emphasize which one is the most significative!

5. Policy Instrument connected with the good practice

Please list the policy instruments affecting, even potentially, the good practice!

6. Location

Mention the area/community and the country where the good practice is located. Summarize if the good practice is at national (N), regional (R), local (L) level!

7. Start date (tentative)

8. Total revenue / income created / personnel employed by the good practice (EUR)

9. Challenges

Please describe the problem to be solved by the good practice and how it relates to the enhancement of social enterprises and social innovation!

10. Would this programme work well in another European context?

Transferability – low / medium / high, if yes, how?

11. Activities (2000 characters)

Please briefly explain why it is a good practice and what makes it special?

12. Achievements so far

Please qualify and / or quantify the results achieved!

13. Strengths, weaknesses, difficulties and lessons learned

Please provide first hand experience on implementing the good practice!

14. Tips for success

Please define the characteristics that make the good practice unique and replicable!

15. Dissemination and sustainability

If public funding is not available / were withdrawn, could the GP continue to exist?

16. Source – URL or Facebook

17. Contact person and details

VI. PEER REVIEW & BENCHMARKING

6.1 Introduction

Background information about:

- a) The social enterprises activities in the area where the project is located (eg. Number of employees in formal and informal sectors, if possible acknowledging the diversity of activities in the area / community)
- b) The major players/stakeholders in these activities
- c) How the project relates to social enterprises: highlight the differences in how not-social and social enterprise relate to, use, have access and control the key resources and how differ the business model because the enterprise is social

6.2 Key objectives of the project

Describe the key objective(s) of the project indicating how they relate to:

- a) equity, in terms of equal distribution of benefits and costs with the full participation of gender/social diversity groups
- b) efficiency, in terms of optimum utilisation of scarce resources
- c) sustainability so that future needs are not compromised by present demands.

6.3 Experiences with a social responsive process in planning and implementing entrepreneurial activities

6.3 is a description of the project's experience in incorporating social dimensions in the stage of planning, strategy formulation, implementation, monitoring and/or evaluation entrepreneurial activities. The project may encompass social responsiveness in all the stages or just a few of them. The experience should be of practical value. The section should pay attention to the following points, amongst others

How information and expertise was improved, for example by:

- collecting and storing data in a social disaggregated manner
- involving all stakeholders, taking into account possibilities for competing or conflicting interests / priorities of different social targets within stakeholder groups
- setting project priorities in a participatory manner and taking into consideration how the project impacts on social dimensions
- tapping expertise that was not previously utilised

How community based social enterprises strategies / initiatives were improved in decision-making, for example by:

- addressing the goals of the project by clarifying how issue-specific policy options affect social enterprises and social needs
- considering implementation options that maximize people's participation and all available resources, bearing in mind the different roles and needs of special targets and the equal access to and control of resources
- involving all the stakeholders in strategy building (eg how you worked with NGOs, local / national government, tourism boards, industry, trade unions, donors, researchers, etc.).

How implementation of social enterprises strategies / initiatives was made more effective, for example by:

- utilizing the full range of implementation capabilities, eg utilizing untapped human resources
- using a participatory and consultative mechanism to agree on action plans for implementation.

How social responsiveness toward social enterprises was institutionalised, for example by:

- building capacities for social enterprises sensitivity / responsiveness
- incorporating specific measures in the institutionalisation of broad-based participatory approaches to decision-making including problem identification, priority setting, conflict resolution, strategy building, action planning and implementation
- continuously monitoring, evaluating and adjusting the process to respond to emerging roles and needs
- incorporating social enterprise responsiveness indicators.

How your project mobilized and used resources in a focused way to effect changes in the regulatory framework for social enterprises, for example by:

- utilizing special opportunities such as radical change in policy or political structure
- promoting networking between communities / areas and between community groups, eg women's groups, in order to share experiences and/or swap expertise
- making strategic use of external support, particularly in the area of social needs.

6.4 Assessing practices: lessons for the future

6.4 is further assessed to identify and understand the factors and approaches which promoted - or inhibited - success. This part aims at understanding the things that made the project work better and more effectively, and the things which held it back and limited its effectiveness. The documentation of lessons learned should be restricted to those that relate to the key dimensions of the Social Enterprise Inventory. The details may vary from one case study to another but all should try to deal with the following points

CHANGES COMPARED TO PREVIOUS EXPERIENCES

In what ways was the project as shown in the case study different from previous experiences or situations in the community / area? What changes were a result of the project and which were due to events or forces outside the project? Which changes were deliberately introduced and which evolved independently? You may look at changes in relation to:

- the range of actors or stakeholders involved (disaggregated by gender) and the nature of involvement
- the methods and procedures for public participation
- the formal structure of institutions and administrative arrangements
- interaction / collaboration between the different stakeholders
- the relationship with broader national or regional policies and programmes
- the nature and use of information and/or expertise

FACTORS WHICH INFLUENCED THE OUTCOME OF THE PROCESS

Were the objectives or your project achieved? What factors explain the way the social enterprise strategy / initiative worked out in practice? What factors influenced the outcome of your initiative overall, and with respect to which particular aspects? To what degree are these factors amenable to control and modification, and how? All of the relevant factors should be explored, both the positive and the negative, so that the dynamics of the process can be properly understood. This will require looking at factors such as:

- sustainable political support
- dealing with opposition, eg struggles working with bodies which have a vested interest in the tourism activities
- degree of simplicity or complexity of the process
- new sources and/or use of information
- training, sensitization education and awareness
- attitudes and understanding of the principal actors
- the roles of community groups, NGOs and other key players
- financial incentives and clear understanding of potential benefits
- the impact and influence of external development assistance and support

LESSONS TO BE LEARNED AND RECOMMENDATIONS TO BE MADE

Based on the analysis, what are the important general points to be made - the lessons to be learned - additional to those discussed above? Lessons learned should relate to key dimensions for the Social Enterprise Inventory. In particular, what can be said in relation to:

- replicability - the potential for repeating successes in other communities, areas, regions, countries?
- requirements for institutional capacity building and strengthening to incorporate the success factors of the project
- requirements of capacity building for the various stakeholders
- requirements for further research
- any significant changes in strategy proposed, based on the experience of documenting the case study.

VII. MONITORING

7.1. Define and show the monitoring system of the project using indicators made for the main objectives and outputs

The results of the good practice collection could be further assessed in a monitoring table in order to provide inputs for policy improvements envisaged under SOCIAL SEEDS.

Chart 1. Assessment table

| Project objective or Good Practice statement | Indicator | Means of verification | Level |
|--|-----------|-----------------------|-------|
|--|-----------|-----------------------|-------|

| | | | |
|--|--|--|------------|
| LAW, GOVERNMENTAL STRATEGY OR REGULATIONS ARE IN PLACE TO GOVERN THE ESTABLISHMENT, IMPROVEMENT OR MANAGEMENT OF SOCIAL ENTREPRENEUSES | There is a legal mandate/policy to be followed in establishment, improvement or management of social enterprises | Legal mandate or government-endorsed policy for establishment, improvement or management of social enterprises | A,B,C.or D |
|--|--|--|------------|

Source: adopted from International Records Management Trust: Good Practice Indicators

Level A: All connecting and necessary law, policy, strategy and action plan are in place and well-known. The strategies, policies, laws and action plans are regularly reviewed and actualized based on written program.

Level B: The necessary law, strategy, policy and action plan is in place and known. The strategies, programs and action plans are more-or less regularly reviewed and actualised.

Level C: Some of the necessary laws, strategies, programs and action plans are in place and more or less known. The strategies, programs and action plans are reviewed and actualised in ad-hoc.

Level D: Only the just compiled strategy or program or plan is up-to-date and usable from the few ones that are in place. No review or actualisation.

7.2 How to use the tool

This tool includes a set of indicators that organisations can use to assess the extent to which good practices in social entrepreneurship are applicable for policy improvements. The tool does not attempt to assess whether every good practice is in place. Rather, indicators have been selectively drawn from the good practice statements so that users of the tool can carry out an assessment within a reasonably short period of time and with limited manpower resources.

Each good practice statement is numbered individually and this number is used to identify the statements. Because the table does not include all good practice statements, users of this tool will note that there are gaps in the numbering system. Users who wish to conduct a more extensive assessment using more good practice statements can design additional indicators and means of verification as needed. It is recommended that additional indicators are designed with the help of social enterprise catalyst organization (e.g. NESST Europe or Ashoka).

The tool is organised as a four-column table as follows.

| Good practice statement | Indicator | Means of Verification | Level |
|-------------------------|-----------|-----------------------|-------|
|-------------------------|-----------|-----------------------|-------|

Each good practice statement has a corresponding indicator, a means of verifying that the good practice is in place, and a level (A, B or C) which enables a simple scoring system to be applied. The

scoring system provides a means of making comparisons between systems within the same organisation and between organisations.

The set of indicators used is intended to provide a comprehensive assessment that covers all the main components of social entrepreneurship. All the indicators and their means of verification have been designed to be easy to assess and measure. Though simplified in some cases so that they can be understood by users who are not policymakers in the field of SME development, social enterprise enhancement and innovation, the indicators are consistent with EU regulations and reports on social economy, social entrepreneurship and social innovation.

The indicators have been designed to be robust, objective and difficult to manipulate. The same results should be found by any two assessors. The indicators have been developed following the 'SMART' methodology; the indicators are:

Specific
Measurable
Achievable
Relevant
Time-bound.

The aim in measuring champion social entrepreneurs and mainstream social enterprise acceleration practices is not to conduct an audit at the good practice, but to assess the extent to which necessary policies and practices are in place. By assessing strengths and weaknesses against the statements of good practice, those areas that need improvement can be identified. This will help guide future planning so that supporting social entrepreneurship can be better integrated into policy design through a process of targeted improvements over time.

7.3 Scoring

A simple scoring system is applied to the indicators so that overall performance in particular areas can be assessed. Each indicator has been assigned a level of A, B or C in the far right column of the table. These three letters represent different levels of achievement:

'A' is the highest level and indicates that the most demanding and rigorous good practice requirements are met

'B' represents attainment of an intermediate level of good practice requirements

'C' indicates that the basic good practice requirements are achieved.

Total scores for each indicator category should be compared with the Scoring Table to determine which level overall (A, B, C or D) has been achieved for each of the three indicator categories. The overall level may then be checked against Performance Statements in Appendix B to provide a statement of the current state of records management integration. The Performance Statements may be used as a basis for reporting on an assessment exercise using this tool.

THE COMPLETE CASE STUDY SHOULD BE A DOCUMENT OF NO MORE THAN 10 PAGES.

ANNEXES: Any statistics, tables, graphs, maps, charts and other such materials should be included only as an annex. The quantity of such material should be kept at a minimum necessary to support key points in the text. **HOWEVER:** If possible, please send us **PHOTOGRAPHS** or other graphic material which can be used to illustrate the project.