



EVALUATION CRITERIA

Exploiting Potentials of

Social Enterprises through Standardized

European Evaluation

and Development System

SOCIAL SEEDS

Interreg Europe



SME competitiveness



European Union
European Regional
Development Fund

TABLE OF CONTENT

I.	FOREWORD.....	2
II.	ASSESSMENT OF THE PROJECT CONCEPT, DESIGN AND OUTPUTS.....	3
	2.1 Effectiveness:.....	3
	2.2 Cost- efficiency:	3
	2.3 Relevance:	3
	2.4 Coherence:.....	3
III.	RISK ASSESSMENT IN MANAGEMENT IMPLEMENTATION.....	6
	3.1 MINOR CHANGES IN THE IMPLEMENTATION	6
	3.2 MAJOR CHANGES IN THE IMPLEMENTATION	8
	3.3 REQUEST FOR CHANGES PROCEDURE.....	9
	3.4 CHANGES IN ACTIVITIES / OUTPUTS.....	10
	3.5 CHANGES IN THE PARTNERSHIP	10
	3.6 CHANGES IN THE BUDGET	11

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.

The purpose of the 'Evaluation criteria' of SOCIAL SEEDS project is to assess the performance of the project from the start of the project implementation up to the time when it was operationally closed. The assessment will include both evaluation of the progress in project implementation, measured against planned outputs set forth in the Application Form in accordance with rational budget allocation, and an assessment of features related to the impact of the project. The evaluation will also identify lessons learned and best practices from the SOCIAL SEEDS project, which could be applied to similar on-going and future interregional cooperation project.

Mária Baracsi
Coordinator

IFKA Public Benefit Non-Profit Ltd. for the Development of the Industry

II. ASSESSMENT OF THE PROJECT CONCEPT, DESIGN AND OUTPUTS

Supported under the INTERREG EUROPE Programme, SOCIAL SEEDS brings together regional and national policymakers committed to drive social change in their respective regions and countries, by improving policy instruments (within the Operational Programmes they own as Managing Authorities).

The Application Form sets the main indicators grouped into 3 categories as follows:

- result indicators,
- output indicators,
- self-defined indicators (linked to the policy instrument).

The recent guideline takes the following indicators into account when assessing and measuring the quality of project implementation. Each partner should answer the following questions scaling from 1 to 5, where 1 = the least relevant / valid, 3 = neutral, 5 = the most relevant / valid.

2.1 Effectiveness:

(Please answer these questions on the scale of to 5 where 1 is 'not true at all' and 5 is 'entirely true'.)
The project objectives are met according to plan.

- The objectives are planned according to the needed effect.
- The reached effects are credited to the intervention.

2.2 Cost- efficiency:

- The extent of the costs involved are justified, given the achieved changes/effects.
- The costs are proportionate to the benefits achieved.
- The interventions were cost effective.

2.3 Relevance:

- The intervention is still relevant.
- The original objectives have proved to be appropriate for the original need.
- This EU intervention is relevant to EU citizens.

2.4 Coherence:

- The intervention is coherent with other interventions which have similar objectives.
- The intervention is coherent internally.
- The intervention is coherent with wider EU policy.

Table 1: Deliverables of each semester of SOCIAL SEEDS

WP	Deliverables	Status
Semester – WP1	synthesis report	finalized
	regional policy landscape comparative analysis	on-going

	seminar (25 participants)	on-going
	study visit (25 participants)	on-going
Semester – WP2	dissemination and communication plan	finalized
	project brochure (1500 copies)	finalized
	poster	finalized
	website with updated information	on-going
	7 micro-sites	finalized
	press release on the kick-off	on hold
Semester – WP3	signed subsidy contract	finalized
	signed partnership agreement	finalized
	kick-off with meeting documentation	finalized
	internal management handbook	finalized
	evaluation criteria	finalized
	satisfaction survey	on-going
	2 phone meetings	on-going
Semester 2 – WP1	seminar & study-visit co-organized	on-going
	report (Methodology and Good practices)	on-going
	methodology report	finalized
	regional stakeholder meeting per region	on-going
Semester 2 – WP2	updated website and micro-sites	on-going
	press release	pending
	online newsletter (with 250 printed copies)	on-going
	publication	pending
	website functional extension	pending
Semester 2 – WP3	submitted progress report	
	satisfaction survey	
	phone meetings	
Semester 3 – WP1	European Standardized and Supportive System Guidelines	
	seminar & study-visit	
	interregional workshop	
Semester 3 – WP2	updated website and micro-sites	
	press release	
	publication	

	updates sent to Policy Learning Platforms	
Semester 3 – WP3	SCM organized	
	mid-term evaluation report	
	submitted progress report	
	satisfaction survey	
	2 phone meetings	
Semester 4 – WP1	report	
	interregional workshop	
	co-organized seminar and study-visit	
	regional/national stakeholder meeting	
	interregional workshop	
Semester 4 – WP2	press release	
	2 nd online newsletter	
	online publication: “Best practices and quintuple helix participation models of social enterprises”	
Semester 4 – WP3	submitted progress report	
	satisfaction survey	
	2 phone meetings	
Semester 5 – WP1	one-pager leaflet on ‘Strategic Blueprint of fostering SEs in (rural) regions’ distributed in the phase closing event	
	report on Framework for Social Entrepreneurial Strategies	
	report on Interregional Cooperation Opportunities	
	finalized programme of the Phase closing meeting	
	co-organized seminar and study-visit	
Semester 5 – WP2	updated website and micro-sites	
	press release	
	2 external events participated in	
	5 meetings organized at cross sectoral fields	
Semester 5 – WP3	SCM in the Czech Republic	
	submitted progress report	

	satisfaction survey	
	2 phone meetings	
Semester 6 – WP1	good practice collection	
	Action Plan per region	
	general policy recommendation document	
	interregional workshop	
	regional stakeholder meeting organized by partners	
Semester 6 – WP2	3 rd online newsletter published to 400 stakeholders	
	press release	
	press conference	
	2 external events participated in	
	6 meetings with key decision makers	
Semester 6 – WP3	agenda	
	1 minute from the SCM in Belgium	
	project report	
Semester 7	website updates	
	progress report	
Semester 8	project meeting	
	website updates	
Semester 9	high-level political dissemination event	
	website updates	
	annual progress report	
Semester 10	project meeting	
	website updates	
	annual progress report	
	final project report	

III. RISK ASSESSMENT IN MANAGEMENT IMPLEMENTATION

3.1 MINOR CHANGES IN THE IMPLEMENTATION

All minor changes (e.g. change in contact details, rescheduling of activities, and budget changes within the 20% budget flexibility for each budget line and partner, see below) can be reported as ‘deviations’ to the joint secretariat via the progress report. The report has to include a justification of such minor changes of the initial plans, an explanation on their consequence for the project’s implementation and

the solution proposed to tackle them and to avoid similar deviations in the future, where applicable.

As required in the original Application Form, the set of criteria aims to explore whether assumptions and risks have been well recognized and mitigating measures considered throughout implementation.

SOCIAL SEEDS takes with the following risk factors into account regarding the implementation:

WP	Risk	Solution proposed	Type
Management and coordination	Delay in receiving the verification of expenditure (first level control)	Immediate notification to the Lead Partner in written format who informs the JS (contingency plan to be created)	Financial
Management and coordination	Underspending per partner	Notification to the Lead Partner, proposal for additional activities to the attention of the JS	Financial activity +
Management and coordination	Overspending per partner	Notification to the Lead Partner, budget re-allocation between periods	Financial activity +
Management and coordination	Conflict of interest between partners	Procedure laid down in the Partnership Agreement	Legal
Management and coordination	Pricing of external expertise	Regulation (EU) No 481/2014 Article 6, expenditure on external expertise and service – 3 offers over 5 000 EUR (but not exceeding the national threshold for public procurement) for the justification of the market price + Evidence of the selection process, in compliance with the applicable EU, national and internal public procurement rules	Financial
Management and coordination	Travel and accommodation (not the most cost-efficient mean of transport selected)	Reasoning to the FLC, Lead Partner, JS	Financial
Management and coordination	Contractual arrangements (e.g. misuse of funds or	Notification to the Lead Partner in written format who informs	Financial activity + legal +

	inappropriate delivery by external expert(s))	the JS (contingency plan to be created)	
Exchange of experience	Lack of interest on behalf of the stakeholder group	Change in the setting-up of the stakeholder group and procedures	Activity
Management and coordination	Skilled project staff - Lack of management, financial, administrative background of staff per partner	Change of project staff	Activity
Management and coordination	Unforeseen activities (human and financial resource allocation) - Change of the budget plan and spending forecast	Notification to the Lead Partner in written format under 10% flexibility, formal request to budget change in written format by 20% flexibility.	Financial
Communication and dissemination	Change in the quality of communication within project components and between project and participants	Notification to the Lead Partner	Activity
Communication and dissemination	Flow of information	Notification to the Lead Partner	Activity

3.2 MAJOR CHANGES IN THE IMPLEMENTATION

For major changes, in accordance with the subsidy contract, the project is obliged to request approval from the programme. Major changes concern:

- the partnership (e.g. withdrawal, replacement of a partner),
- the core activities of the project (including the possible introduction of a pilot action at the end of phase 1),
- the budget of the project (reallocation above the 20% flexibility for each budget line and partner,
- the project's duration.

Such changes are formalised through a request for changes procedure. As a basic rule, lead partners should inform the joint secretariat as soon as they become aware of a possible major change in their project.

WP	Risk	Solution proposed	Type
Management and coordination	Activities not included in the Application Form	Notification to the Lead Partner who informs the JS – reasoning to the JS as costs MUST be related to activities planned in the application form, be necessary for carrying out these activities and achieve the project’s objectives and be included in the estimated budget	Financial
Management and coordination	Replacement procedure	Notification to the Lead Partner on personal changes	Activity
Management and coordination	Administrative delays due to national / corporate regulations	Notification to the Lead Partner in written format who informs the JS (contingency plan to be created)	Financial + activity + legal
Management and coordination	Indicator not met	Notification to the JS + reasoning	Activity
Management and coordination	Unforeseen activities (human and financial resource allocation) - Change of the budget plan and spending forecast	Notification to the Lead Partner in written format under 10% flexibility, formal request to budget change in written format by 20% flexibility.	Financial
Vis major	Life threatening situation (e.g. terror attack, earthquake, etc.)	Notification to the Lead Partner, then modification of venue and schedule	Activity

3.3 REQUEST FOR CHANGES PROCEDURE

For the above mentioned major changes, the lead partner needs to fill in a ‘request for change’ and submit it to the programme through the online form system. The ‘request for change’ is provided upon request by the joint secretariat. It can be requested at any time during the implementation of the project. However, unless duly justified, a ‘request for change’ is generally not treated while a progress report is still under review by the joint secretariat, since the request for change may have an impact on the progress report and may lead to serious delays in the reporting. The request for change

template is based on the latest approved application form and needs to be updated for the respective parts related to the change. Furthermore, the project has to describe the requested change and provide a clear justification for it. Depending on the nature of the requested changes, a decision on the approval will be taken either by the managing authority/ joint secretariat or through a written procedure by the Interreg Europe monitoring committee. The changes enter into force only when the official approval notification letter is sent to the lead partner. Projects should be aware that a formal request for change procedure can only be launched during the lifetime of a project. It is not possible to implement a formal request for change procedure after the end date of the project (as indicated in the application form).

3.4 CHANGES IN ACTIVITIES / OUTPUTS

In the application form, activities and outputs are described in the work plan for each semester of both phases. Therefore, the work plan represents the project's road map, and projects should stick to the original plans as much as possible. However, it is understandable that a project is not a static entity and that changes may occur during implementation. There are two possible scenarios:

- If changes are of a minor character (e.g. postponement of a conference, change in the location of the planned workshop) meaning that they will not have an impact on the main objectives of the project and only minor impact on the budget, they can be reported and justified in the progress report (i.e. in the deviations' section).
- If changes are of a major character and have an impact on the main objectives of the project, they would require the formal approval of the Interreg Europe monitoring committee. Based on INTERREG IVC experience, this type of request for change remains the exception.

In the event of doubts as to whether the changes are of a minor character or not, the lead partner should contact the joint secretariat as early as possible. For the second option, the lead partner should in any case contact the responsible joint secretariat officers to request a formal change in activities/ outputs.

In addition to the above changes, there may be an opportunity to revise the work plan of phase 2 before the end of phase 1. This is for instance the case when the project would request pilot action(s) under phase 2. In any case, the revision of phase 2 would require the formal approval of the monitoring committee.

3.5 CHANGES IN THE PARTNERSHIP

The partnership is considered as a core feature of a project and, as such, is officially approved by the Interreg Europe monitoring committee. Therefore, changes in the partnership should be avoided wherever possible and all alternative solutions to resolve the problem need to be considered before requesting a partnership change. In any case, partnership changes can only be approved if they are duly justified.

The request for change form differentiates between two cases of partnership change:

- a) Withdrawal of partner(s)
- b) Integration of partner(s) (in most cases as a measure to replace a withdrawing partner).

If the withdrawal of one partner in the partnership cannot be avoided, the ideal solution is to find a suitable replacement for the withdrawing partner preferably from the same region/ country. The lead partner should always first verify if this option is feasible. The partner concerned therefore has to inform its Partner State representatives of Interreg Europe to try to find a suitable solution. The other alternative is a pure withdrawal of the partner. In order to minimise the impact on the project, it is recommended in this case that an existing partner (or partners) take(s) over in full (or partly) the role and activities of the withdrawing partner.

As a consequence, this also means that the budget may be partly reallocated. The integration of a new partner may be possible at the end of Phase 1 where the involvement of a new organisation is required for the implementation of pilot actions (see also example in section 4.6). This type of change must be approved by the monitoring committee. In all cases, the requested change has to be clearly explained and justified in the 'request for change summary'. In addition, all relevant parts of the 'application form for changes' need to be updated; in particular Part B 'Partnership' but also all sections where the withdrawing partner is mentioned (e.g. Part D, work plan). Once the joint secretariat has received the completed request for change form, it will check whether the request for change is acceptable. The joint secretariat will also ask the relevant Partner State representative to confirm the eligibility of the new integrating partner (where necessary).

A simple change of name of one partner which has no impact on its legal status is not treated as a partnership change issue and thus does not require a formal request for change procedure. Nevertheless, the change of name of a partner must be officially communicated to the joint secretariat (e.g. by updating the contact details of the partner concerned in the progress report). If specific geographical eligibility rules are applied in a call for proposals, projects approved under that call that require a change in partnership have to ensure that the revised partnership still complies with the same rules.

In cases where the legal status of a project partner changes from public or body governed by public law to private non-profit body (or vice versa) during the project lifetime, the co-financing rate will remain unaffected. The project partners have to nevertheless ensure to correctly report their national contribution in the progress reports as private or public depending on their legal status during the reporting period.

3.6 CHANGES IN THE BUDGET

Although the budget is a core element in the application form and is approved by the monitoring committee, changes in the budget may become necessary during the implementation of the project.

Two cases of budget changes are possible:

- a) a **20% budget flexibility for each budget line at project level and per partner** (no prior approval by the managing authority/joint secretariat required): the project is allowed to exceed the budget lines and the partner budgets, as stated in the latest approved application form, by a maximum of 20% of the original total amount. Such changes do not require a formal prior approval by the programme, but must be reported and justified through the progress report.

- b) a **budget reallocation above the 20% budget flexibility limit for each budget line at project level and per partner** (prior approval by managing authority/ joint secretariat through a request for change procedure): the project may request a reallocation of budget between budget lines and/or partners of more than 20% for each budget line and/or partner budget only once during the implementation of the project.

Such reallocation requires the formal approval of the programme through a request for change procedure. In any case, budget changes are only possible on the condition that the total amount of ERDF and Norwegian funding awarded to the project is not exceeded. It should be noted that an overspending of an ERDF amount cannot be counterbalanced by the underspending of Norwegian funds or vice versa.