

Resilience in and through the Sector: Good Practices Guide for Social Enterprise support policies in times of COVID RaiSE extension



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Resilience in and through the sector

Introduction

Social Enterprises (SE) are drivers of social change that operate on the basis of viable business models, providing goods and services in an entrepreneurial and innovative fashion and using profits primarily to achieve social objectives. Thus, SEs are believed to promote more and better jobs and generate inclusive growth, while addressing major societal challenges and many European regions have set up initiatives to foster social entrepreneurship. In the Interreg Europe Project RaiSE (Enhancing social enterprises competitiveness through improved business support policies), the question of how public policy can effectively promote the competitiveness and internationalisation of SE has been addressed in six regions. The idea behind the project is that these public efforts contribute to the stability of the Third Sector and enable these actors to contribute to a wider set of social and welfare objectives. The resilience of the sector has been an implicit goal of the initial project. The project promoted policy learning and supported the development of Action Plans that are implemented in the regions since summer 2019. With the start of the COVID-19 pandemic, the context and the role of SEs changed and the possibility to extend the RaiSE Project, gave us the opportunity to reflect on the role of SE in this time of crisis. The following report provides the insights that we gathered throughout this phase and is thought as a continuation of the collective learning about the sector's needs and efforts to contribute to its competitiveness and resilience.

In early 2020, the COVID-19 pandemic interrupted lives and economic activities in Europe like no other event since the Second World War. The pandemic and the measures to control the healthcare emergency have led to the devastation of millions of people's lives, their health, social, and economic opportunities. The COVID-19 pandemic both created new societal challenges and exacerbated social problems that have existed for decades. In this context, the work of SE may be more important than ever as they provide support to groups suffering from social problems like unemployment, hunger, violence, or access to public services (Weaver, 2020). This report investigates whether and how SEs in several European regions were able to not only adapt to the economic repercussions of the Covid-19 crisis, but also to support vulnerable groups in the region in coping with the crisis. We frame it as "*resilience in and through the sector*" - why it is important to support SE competitiveness and how to build a fitting support system. The report analyses how SE were affected and involved in the immediate and mid-term reaction to the pandemic (SE as a part of crisis response). Through interviews with stakeholders in the SE sector we investigated how SE showed resilience in the face of the pandemic and how they contributed to the economic and social resilience of the communities they are embedded in.

The first section of this report provides a short overview of the situation and role of SE in the COVID-19 pandemic. In addition, it gives an overview of the discussions surrounding the topics of competitiveness and resilience of SE. The methodology of the interview study is explained in the second section, in the third section we summarise the interview findings. In the fourth section we discuss the findings and answer the question how SE were able to respond to the crisis and contribute to their regions' resilience. Finally, we provide some conclusions and recommendations for policymakers.

Background and current discussions around SE's resilience

The core objective of SE is to provide essential services in the social sector. They often fill a niche that is not covered by either the private or the public sector. SE operate under the principle of profit maximisation, within their business model, and they usually reinvest their profits back into the enterprise (Castro and Zermeño, 2020). Due to their specific mission, they are able to organise resources in a way that maximises social advantage while also staying economically profitable (Ling, Barraket and Luke, 2011). Similarly, in their study Philipp and Brugner (2018) in the context of the RaiSE project initial stage, found that SEs, in contrast to public services, offer a flexible and efficient service aiming to handle small-scale problems with and for their specific target groups. SE were found to be able to adapt quickly to changing framework conditions and address problems, mostly through services, in educational, health and social care, as well as in work-integration. Thus, one could expect that SE were an important factor of resilience in time of crises with social, health and economic impacts on regions. This ability to adapt is a key contributor to SE's resilience.

Resilience as a concept stems from ecology and describes the capacity of an ecosystem to recover from shocks and regain some sort of stability. While, in organisational studies the ability to withstand changes in the environment and in a business context, it refers to the ability of an enterprise to adapt to and grow in the face of adversity (Dahles and Susilowati, 2015). Part of this process may be to re-orient business strategies and change practices (Branicki, Sullivan-Taylor and Livschitz, 2017). Linnenluecke (2015) argues that innovation can be an enabling condition for resilience as it gives organisations the capability to constantly adjust and adopt new practices. As an external shock, COVID-19 represented a massive accelerator for digital transformation of work, with home-office and mixed agreements becoming normal for workers in office jobs, which has significant impacts on the way services are provided (see cf., Agostino et al., 2021). This includes social care, healthcare, education and other core activities of SEs. Further, SE were rather slow in adapting digital solutions prior to the COVID-19 pandemic, many of their services are rooted in personal, face-to-face interaction that are either difficult to transfer to the digital context or aim at target groups that are not comfortable in using digital tools. Therefore, the question of digitalisation is particularly relevant.

Financial resources play a vital role in ensuring an organisation's sustainability and resilience. Social benefits need to be delivered in a way that ensures financial sustainability of the organisation (Kim and Lim, 2017). Financial reserves allow a SE to ensure the payment of employees and other essential services during the initial phase of adapting to new circumstances (Linnenluecke, 2015). However, the RaiSE interregional study (Philipp and Brugner, 2018) found that the vulnerability of SEs in terms of reliance on public spending, dependence on volunteerism and human resources as such are one of the biggest sectoral challenges. Social capital and the ability to network are mentioned both in the context of competitiveness and resilience of SEs. Castro and Zermeño (2020) argue that the resilience of a SE depends on its relationships with other institutions and with stakeholders. Similarly, Ling, Barraket and Luke (2011) argue that networks are a source of institutional capital of an SE and therefore an essential contributor to its competitiveness. With its disruptive impact on work and services, COVID-19 might have increased the challenges the sector was already facing and put further stress on SE. Thus, one of the questions addressed in this study is the general resilience of the SE sector.

Summarising, on the other hand, social enterprises can be a provider of resilience to their region. They provide regions with essential (social) services and through their business model create economic and social value (Ling, Barraket and Luke, 2011). In addition to the directly added value through the business, SE's also have particular knowledge of regional networks and provide social infrastructure. These enhanced regional capabilities can enhance regional competitiveness (Kim & Lim, 2017). Therefore, another question in this study revolves around how the different SE sectors supported the public sector in their regions in addressing rapidly emerging new challenges by providing services and knowledge.

Methodology

The methodology built on triangulation and mixed-methods in order to capture the role of SE for regional resilience and to assess the resilience of the sector itself. These methods include 1) expert interviews, 2) a validation and reflection workshop, and 3) a policy mapping and good practice approach.

In each region, we interviewed 2-3 sectoral experts that could provide a generalised insight of how the SE target groups have been affected by the pandemic, how the sector reacted and which support instruments were offered by the public sector and how useful these instruments were for the sector. The narrative interviews aimed at hearing a first-hand report from within the sector. The guidelines, elaborated by ZSI, were drafted in a manner that overarching questions stimulate the interviewee in telling their story. Further, inquiring questions were used to steer the discussions along some critical points. These may or may not have been relevant in a given interview situation and it was up to the interviewer to ask these or other sub-questions that may have arisen from the context of the interview. The interviewees were identified by the RaiSE regional partners. The interviews were not transcribed in order to limit time efforts required, but a short interview reporting sheet was filled in for documentation. These reports provided a summary (approx. 1.000 words) of the expert's narrative answers along the central questions proposed in the interview guidelines:

1. The experts background and perspective on the sector
2. How the sector has been affected by COVID-19
3. How the target groups were affected/changed due to COVID-19
4. How the sector coped with the new situation and which specific support has been offered by the public sector or which existing instruments gained importance through the pandemic

In total, the partners conducted 13 expert interviews in Emilia-Romagna, Western-Ireland, Örebro, Hungary and Scotland.

The preliminary results have been presented and discussed in a project-internal workshop in Dublin, Ireland on the 28. April 2022 as well as in the context of the RaiSE final conference on the 7. June 2022 in Barcelona, where approximately 30 stakeholders were present and provided feedback.

The findings from the interviews and workshops are summarised below. However, it needs to be noted that the interview study only included participants from within the sector, either running or working in an SE or consulting SE. Therefore, they may have been biased as with regards to the strength of SE resilience and the value that they contribute to their communities. The collected Good Practices are presented in the second part of this report.

Summary of the findings

The following findings are building on the conducted interviews and WS results, that were implemented in order to answer two main research questions: 1) How resilient the SE sector itself was in times of the pandemic? 2) How much resilience it offered to the regional societies?

In general, the effects were not more severe than for traditional enterprises and smaller than expected. SE's resilience results from providing agile services that meet the (new) needs of the population, especially in the domains of social care and health. This dynamic organisation enabled SEs them to meet emerging demands and be part of the COVID response. Regarding the effects of COVID-19 on SE one of the main findings is that while the effects were more or less the same in all regions, the effects did vary within the sectors. Thus, one has to take differentiated perspective in order to capture the multi-dimensional effects of COVID-19 on SE. The main difference observable are based on the nature of the SE'S services and their financing models. Regarding the services, obviously, the ones based on close social-interaction, e.g., provision of social context, work-integrating social enterprises (WISE) have been effected more negatively, while some services like, e.g., food delivery, very in high demand from one day to the other and SE active in this field were important actors

in the regional COVID responses. The financial model, e.g., grant vs. trade-based, public vs. private costumers, had also significant influence on the stability of SE, whereby SE depending on traded-income were more severely affected by the pandemic.

Another point of differentiation is that, the effects were not stable over the different phases of the pandemic. The effects were most severe during the first wave and lock-down, when trade was lost and services were interrupted (especially for WISE, contact intensive services, new SEs, based on volunteering or donations) from one day to the other and public support measures were not yet developed. Initially, the economic shut-downs following the COVID-19 outbreaks in European countries had the same effect on social enterprises as on all commercial activities. In Italy, it is estimated that economic activity in social enterprises decreased by 9%. While all SE were affected, the scale of the initial impact also depended on the nature of services offered by the SE. For example, SE that worked in a social context or were involved in work-integrating programmes (WISE) were impacted more than those selling goods. On the other hand, the pandemic also highlighted the importance of social enterprises in the community, as well as their resilience in the face of big social and economic changes. After the initial challenges, SE managed to adapt or even change their business model in order to serve their communities in new circumstances. SE were fast in adapting their services (e.g., food banks, home delivery of food) and the pandemic boosted the digitalization and e-commerce.

In general, during the initial phase of the pandemic SE were pushed to ask themselves the “*purpose question*”. What do my target groups need and how can we support this target group in this situation through our activities. This necessity to reflect upon the own activities and the radically different structural conditions in which this services had to be delivered proved to be an impulse for change and innovation in the SE sector. Innovation and digitalization have been speed up by the pandemic: “*These organisations had a widespread proactive, innovative and highly flexible attitude that has allowed them to transform such a negative event into an opportunity for learning and reorganisation*” (Interviewee from Emilia-Romagna). However, in order to be able to adapt and reorganize, strong equity and liquidity are essential to cope with – in this situation suddenly – declining demand for services. In this situation, the networks and community of SE represented a source of resilience as SE aimed at offering services that are more integrated, based on accelerated digitization, flexibility and adaption of services according to new needs. SE supported each other in this change processes by lending each other human or financial resources. This agile adaptation to the new framework conditions and community needs, put SE in a position to be a strong partner for the public sector in crisis responses. In some situations, SE were even co-programming intervention in cooperation with public actors.

This partnership of the SE and the public administration aligned in the overall objective to deliver help to the most vulnerable members of the regional communities as quick as possible. The interviewees in all regions reported that the nature of the core target group remained stable, however, the quantity of people seeking services increased and new demographics now also needed assistance. For example, in Emilia-Romagna, SEs were involved in supporting distance education. In Örebro, WISE saw a large increase in the number of people with a migration background. These were often highly skilled but did not speak Swedish sufficiently. Overall, elderly people were the most affected target groups in terms of accessing SE’s services. On the one hand, they represented to most vulnerable group of patients in case of COVID-19 infections and, on the other hand, they often rely on medical services that could not be moved online as easily. In case of services that were offered online, they often needed to learn to use digital tools in order to participate in many services. After the immediate phase, they were also slow to return to the SE in person services, as they were still afraid of infection.

In the following, three central points are elaborated in more detail.

Financial support by the government

In all regions, the national and regional governments provided financial assistance to social enterprises. In Hungary, SE could apply three months' job protection wage subsidies. In Emilia-Romagna, the public sector introduced several calls directly targeted at the Third Sector. In Western Ireland, Scotland and Örebro, SE could also apply to wage or income subsidies just like private enterprises. Generally, the interviewees considered the subsidies as sufficient to help most enterprises through the crisis. In addition, in Sweden the municipal government supported the creation of at least one new social enterprise and purchased goods and services from others. The Scottish government rolled out a specific programme to help SE adapt to the new circumstances. In the framework of the *Adapt & Thrive* programme, they received professional advice to develop a sustainable and responsive plan around new income generation, restructuring or service change.

However, there were some limits to government help. For example, support to digitalise business operations, which mainstream businesses received in Ireland, was not available for SE in Ireland. Furthermore, early stage SE that could not provide a trading history could not receive emergency funding in Scotland.

Digitalisation

Almost all of the interviewees mentioned a lack of digital skills and digitalisation of the business as a main obstacle to adapting to the challenges of the pandemic. They generally cited two reasons for this lack of digitalisation, financial resources on the one hand and skills on the other hand. For example, as mentioned above, in Western Ireland, private businesses received grants from the government to speed up their digitalisation process, however, those were not available to SE. Similarly, one interviewee from Örebro argued that Swedish SE do not have the finances to digitalise their services. In terms of skills, the Hungarian interview participant said that training in digital skills would be essential to re-organise the work in social enterprises. The Swedish interviewee stated that social enterprises are usually not as skilled in marketing their goods and services online and are not well versed in using social media. The digital skills of the target group turned out to be another challenge. Especially the elderly were not familiar with using technologies, such as video call applications. However, most elderly people adapted to the change and became users of certain technologies.

On the other hand, the speeding up of digitalisation caused by the lockdowns also brought some new opportunities. In Scotland, it helped to explore more diverse ways of operating. In addition, SE's were able to engage with more remote communities. In the Swedish county of Örebro, a website will provide visibility for SE and their services and serve as a marketplace for their services.

Flexibility and service innovation

SE in all regions changed and adapted their business model and activities. In Italy, there was an increased need for the services of SE, such as social and sanitary services. In addition, they worked on new services, such as telephone helplines, or grocery and medicine delivery. According to one of the Italian interviewees, the Third Sector has seized the opportunity for reorganisation, learning and to realise digital change and innovation projects. Similarly, in Ireland some SE's have used the opportunity to train their staff and engage in new services, such as meal delivery. In Sweden, one SE completely changed its business model and now manufactures disinfection wipes for the aviation sector and other sanitary goods.

Several interviewees highlighted the resilience of the Third Sector and its ability to quickly adapt to new circumstances. One Irish interviewee argued that the experience of the pandemic made SE's focus more on sustainability as they are now more conscious of uncertainties. A Swedish interviewee also stressed that social enterprises are faster than the public sector and quickly adapt to new needs. In addition, enterprises are used to working with restricted resources, which has helped them to adopt to the new circumstances during lockdowns.

Both the Irish and Swedish interviewees highlighted that one reason why SE's were able to adapt so quickly to the lockdowns are their networks. They are usually well embedded in a local or regional network of SE's and NGOs which lend each other, staff, money or localities to ensure each other's ability to operate. Another strong example is the above-mentioned Swedish website of all Social Enterprises to support their activities.

A challenge to flexibility in business operations is a lack of skilled labour. Interviewees from both Hungary and Emilia-Romagna raised this. SE often cannot afford good Human Resources Management to support their employees. This is specifically challenging in times of pandemic because this means they can also not provide adequate support for mental health struggles, which was mentioned by several interviewees as another emerging challenge.

Summary

Overall, Social Enterprises in the participating regions proved to be resilient in times of crisis and were able to adopt quickly to changing circumstances, which allowed them to be part of the regional crisis response supporting vulnerable societal groups. They were able to overcome most challenges and change their practices to online activities or even completely changed their business model to services that suddenly became important, such as grocery delivery or manufacturing sanitation wipes.

The target group has not changed in their main characteristics, but rather become larger as more people have been made vulnerable by the consequences of the pandemic. Moving activities online has made it easier to reach remote groups, while it has provided a challenge to reach others, especially the elderly who are not so familiar with the required technologies.

Networking has proven to be a valuable asset for SE's. They exchange practices, support each other with lending staff, money or localities and cooperate to make services more visible. Existing networks between public actors and SE increased the information flow and allowed addressing needs quickly by developing new partnership models.

Discussion of Interview Findings

Resilient businesses are those who are able to adapt and grow in the face of adversity. Overall, the SE in the RaiSE regions were flexible in adapting to the circumstances of the COVID-19 crisis and many changed their operations in order to be sustainable. However, they did not only change services or products to ensure their economic feasibility, but substantially contributed to responding to needs that emerged in the region during the health emergency and economic downturn, for example by delivering meals or manufacturing sanitation equipment. SE showed resilience by being flexible with their way of operating their business, by changing products and services to fit the needs of the community and by sometimes serving much target groups much larger before the crisis.

However, many interview participants reported that switching to digital services or digital promotion of goods proved to be a challenge for many SE. They were already lagging behind before the crisis and lacked funding and expertise to adapt quickly. This aspect made SE more vulnerable. However, it seems that eventually most SE were able to move towards digital solutions. This was partially because SE tend to be embedded in strong local or regional networks.

Research highlights social capital, such as strong networks with each other, stakeholders and institutions as a competitive advantage. This was reflected in the interviews. Both in Örebro and Ireland, SE have strong regional networks and support systems in place that proved to contribute to the sectoral resilience and adaptability. In addition, in Örebro the regional administration and the SE jointly developed website to promote their services and products. The fact that economic competition is secondary to many business models allows them to tightly cooperate with each other and to support each other in times of need. In Emilia-Romagna, interview participants highlighted the importance of collaborating with the public sector.

These networks strengthen the resilience of SE by ensuring their business operations and the services they provide will keep running even when challenges arise. Ensuring that essential services are provided in times of crisis also contributes to the resilience of the regions in which the SE operate.

In order to keep offering their services in times of crisis, businesses and SE alike need to ensure that they are financially secure. However, SE are often not able to build up great financial reserves due to the nature of their mission as well as due to regulations for SE. However, for their quick response and innovating their services financial reserves are essential. The public support and emergency funding schemes were essential in moving fast. In addition, the strong networks described above and cooperation with the public sector were helpful in avoiding financial struggles. Most interview participants stated that public funding was sufficient to keep SE financially afloat. Only very new SE struggled, as they were not able to report any income from the last year that would have made them eligible for income support or substitution by public money. Lack of financial reserves is a weakness in the competitiveness and resilience of SE, however, due to public emergency funding, cooperation in providing services for the public sector and support within their network they were able to cope with the economic downturn and, in the end, proved to be resilient.

Conclusion and recommendations

According to the findings of the interview study, SE have proven to be able to not only cope with an adverse situation, but to substantially contribute to addressing the needs arising in their community due to that situation. Thus, social enterprises can become a source of regional resilience in times of crisis. While SE also face challenges they are able to cope quickly and with flexibility. SE do not operate under the principle of profit maximisation but of prioritising social needs of their specific target groups. In face of COVID-19, this allowed SE to quickly change their operations to services that were required by their target group in the new conditions. By continuing to serve their target groups, if needed with adapted or new services, SE supported regional resilience by filling gaps in supporting the most vulnerable groups that could not be addressed sufficiently by the public or private sector.

Considering the importance of SE for regional development and resilience, it is important that public policies support their continued operation and development. Supporting competitive and financially viable social enterprises does not only contribute to efficient allocation of resources for vulnerable groups but might be a valuable resource protecting regional societies against shocks and response capabilities. Thus, public investments into the sector have a – at least – double purpose.

In order to, strengthen the resilience of SE, the initiated transformations should be supported. The adaptation to new and adverse conditions had to happen ad-hoc and there was often no space for long-term planning. The Third Sector needs strategic development towards innovation and digitalisation that is taking the needs of the target groups into account. As digitalisation was already a challenge before the pandemic, it is important to ensure that SE have the means to integrate digital services into their long-term strategy.

In addition, to ensure continued innovation and flexibility, SE need a skilled workforce. Training programmes and targeted recruitment strategies would support tackling this need. However, finding and retaining talent, in the end will come to being able to pay competitive wages. Public procurement is a straightforward way to financial support SE operations. It not only keeps money flowing in the region, but also supports businesses that contribute to community and ensure social services for vulnerable people. Therefore, public procurement should prioritise foci on innovation, social economy, and sustainability over the cheapest offers in order to contribute to an environment in which SE can support regional societies effectively.

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Good Practice Catalonia

“Singular Projects” for the socioeconomic reactivation COVID-19 for social economy enterprises

Introduction of the instrument

The programme “*Economia Social*” (Social Economy) is a broad programme led by the Directorate-General for the Social and Solidary Economy, Third Sector and Cooperatives of the Government of Catalonia, which aims to enhance the sustainability of the social economy enterprises. This is achieved through support actions in the definition of their strategic approach and the improvement of their growth and internationalisation potential.

“*Projectes Singulars*” (Singular Projects) are a strategic tool inside the programme to generate employment, by boosting the maintenance and/or growth of the economic activity of social economy enterprises. This public policy exists since 2016 but was re-drafted in 2020 to bring tools and solutions for the recovery of the social economy sector after the Covid-19 crisis.

Description of the problem tackled

For the Government of Catalonia, social economy includes all forms of economic activity that have as a goal the resolution of a social problem or the satisfaction of the economical needs of its associates, prioritizing the well-being of people over the generation of capital. Currently, social economy accounts for 8% of the GDP in Catalonia, it comprises 19.000 social economy enterprises, 5 million users and 10% of the working people. Social enterprises have played a vital role in the Catalan economy, working in partnership with the public sector in order to provide social services to vulnerable groups while also producing goods or services with a social objective. During Covid-19 pandemic this partnership with the public sector has been even more important.

Due to the social and economic crisis caused by Covid-19, the growth in the creation of social economy enterprises stalled. In the current economic context, the creation of new jobs and new enterprises is a priority and a strategic bet of the Government of Catalonia.

Specific objective & intervention logic

The goal of Singular Projects is to create employment through the creation of new business projects, new enterprises, new business lines or new markets, in the frame of the social and cooperative economy. These projects must profit strategic opportunities within the sector of activity or the territory and must involve, at least, two cooperatives, with the possibility of including as well other social economy enterprises, such as associations or foundations from the third social sector.

There are five types of Singular Projects:

A. Economic reactivation.

New inter-cooperation projects to maintain and boost economic activity and employment.

Total turnover: +500.000 €/year.

Eligible costs: maximum 60.000 € (up to the 100% of the total cost).

B. Integrated economic reactivation.

New inter-cooperation projects to maintain and boost economic activity and employment.

Total turnover: +2.000.000 €/year.

Eligible costs: maximum 180.000 € (up to the 100% of the total cost).

C. High strategic impact.

New inter-cooperation projects that demonstrate a strategic importance in the social economy sector and energy transition projects.

Total turnover: +20.000.000 €/year.

Eligible costs: maximum 400.000 € (up to the 75% of the total cost).

D. Platform cooperativism and/or logistic distribution.

New inter-cooperation projects that promote cooperative consumption through technological platforms and/or have an impact in the position of social economy in the logistic distribution.

Total turnover: +35.000.000 €/year.

Eligible costs: maximum 1.000.000 € (up to the 65% of the total cost).

E. Growth and sustainability of the social and solidarity economy and cooperativism (since 2020 – Covid-19)

New inter-cooperation projects that promote the growth and sustainability of the social and solidary economy and cooperativism.

Total turnover: +500.000 €/year.

Eligible costs: maximum 70.000 € (up to the 100% of the total cost).

The call for projects opens annually with a total annual budget of 5.000.000 €, and in 2020 it was reinforced with an additional budget of 3.900.000 € to face the consequences of the socioeconomic crisis of Covid-19.

Impact created (2016-2021)

- 358 Singular Projects carried out by 1.050 social economy enterprises.
- 33 projects have been specifically devoted to the face the Covid-19 crisis.
- Total budget: more than 36.000.000 €
- 1.715 jobs created in the social economy sector (stable and quality employment).

Why is this a Good Practice?

The programme “Economia Social” of the Government of Catalonia positions social and cooperative economy as a cornerstone for the construction of a more social, democratic and inclusive economic model, through different tools, such as Singular Projects.

With Singular Projects, the Government of Catalonia makes a clear commitment to generate stable and quality employment, linked to the community and the territory. In fact, all the Singular Projects have a strong territorial and sectorial impact and have been strategic instruments to bring solutions to the current pandemic and post-pandemic situation.

Success story - “ARRELS market”

Thanks to a Singular Project, four Catalan cooperatives (Som Cultura, Unió de Pagesos, L’Olivera and Sàpiens) have launched ARRELS (“roots”), the biggest farmers market in Catalonia and an essential and urgent tool to guarantee the future of the productive activity of farmers, fishers and artisans.

Catalan farmers are suffering the consequences of the global consumption model and, in the last 20 years, more than 50% of the jobs in the sector have been lost. ARRELS is boosting a more intense and direct relation between consumers and producers and, at the same time, is creating social conscience for the rural world problems and a feeling of belonging to the territory.

The project includes the following actions, that are being implemented by five workers (these new jobs were created thanks to the project):

- Creation of a community of consumers and producers.
- Construction of the technical and technological infrastructure of the market.
- Design of ARRELS media channels
- Communication campaigns.

<https://www.mercatarrels.cat/>

Fact-Box

Name of the intervention: Singular Projects for the socioeconomic reactivation COVID-19 for social economy enterprises

Objective: create employment through the creation of new business projects, new enterprises, new business lines or new markets, in the frame of the social and cooperative economy.

Nature of intervention: grant.

Time of implementation: 2016 – ongoing.

Costs: maximum 5.000.000 € per year

Outcome: 358 Singular Projects, 1.715 jobs created.

Transferability (high/medium/low): high.

Good Practice Hungary

“MarketMate” Priority Program

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 Hatpöttyös 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.

Good Practice Western Ireland

Covid-19 Stability Fund for Community and Voluntary, Charity and Social Enterprises

Introduction of the Instrument

In 2020, the Irish Government through its Department of Rural and Community Development established the Covid-19 Stability Fund for Community and Voluntary, Charity and Social Enterprises. Working in collaboration with the Department of Health and the Department for Children, Disability, Equality and Integration, funding of €45 million was made available through the Dormant Accounts Fund to support close to 600 non-profit organisations to continue delivering critical services to the most vulnerable in Ireland's communities, despite the challenges brought by Covid-19.

Description of the problem tackled

Following the realisation that Covid-19 was a pandemic, emergency measures were introduced in Ireland to effectively shut down all but the most necessary activity in society. This was a major challenge to the entire societal infrastructure necessitating financial life support to ensure that the structures were there when society could open up again. Different sectors in the economy required responses tailored to their needs with most requiring financial support to compensate for substantial loss of revenue and to retain employees. The Covid-19 Stability Fund was designed and established to meet the needs of the community and voluntary sector including social enterprises. Without this support most of the enterprises would be forced to cease operations and most likely not reopen again.

Specific Objectives & Intervention logic

The stability Fund was designed to support close to 600 non-profit organisations to continue delivering critical services to the most vulnerable in the community, despite the challenges brought by Covid-19. These organisations were in a broad range of sectors, including;

- Health and Social Care (including addiction, disability and mental health)
- Child and Family Services (including counselling/therapies)
- Domestic/Sexual/Gender based violence
- Housing/Homelessness
- Community Services (e.g. meals on wheels/befriending services/old age supports/vulnerable people's support groups etc.)
- Community Education Sector

The Intervention logic was to financially support organisations who found themselves in difficulty and who saw their trading income and/or fundraising income drop significantly during the crisis.

Impact created

A total of €48.6m was paid out to 863 organisations ranging from €2000 to €290,500 who were hit with short term cash flow issues arising because of the Covid Pandemic. This meant that these organisations were able to survive and continue to provide vital services during the Pandemic and to return to normal activity once restrictions were lifted.

Year	Organisations	Amount
2020	596	€41,432,278
2021	267	€7,190,501
Total	863	€48,622,779

Why is this a Good Practice?

The Covid-19 Stability Fund was an emergency measure to respond to specific needs in a national crisis.

It was a targeted intervention, delivered speedily with minimal bureaucracy.

It had immediate impact by ensuring the survival of organisations and the uninterrupted delivery of essential services.

The legal framework by which it was established and delivered can serve as a template for future emergency interventions.

Good Practice Scotland

Scotland’s Catalyst Fund

Introduction

Scotland had introduced its second 3 year action plan, supporting its 10 year Social Enterprise Strategy, when the Covid pandemic derailed progress and momentum in March 2020. Priorities and support, focused on the sustainability and growth of the sector, now needed to also embed the opportunities and adaptability of the Third Sector to address the impact, uncertainty and dependence on the sector to support Scotland’s economic and social recovery.

The Third Sector Growth Fund, worth £30 million, was therefore introduced to build on the £1 billion invested in the Third Sector throughout the pandemic to aid its resilience and recovery. A key objective for this fund has been to support those social enterprises with the potential to grow, contribute to job creation and make a positive contribution to Scotland’s communities and the wellbeing economy. The largest element of this fund is The Catalyst Fund, a programme designed to respond to the need for growing third sector organisations to access different forms of finance than currently available in the social investment market. Its aim is to help support the sector to meet the challenge of the pandemic and to become more sustainable in the long-term.

The Catalyst Fund is a joint venture, managed by **The Impact Investment Partnership Scotland (IIPS)**, an entity owned equally by Firstport and Social Enterprise Scotland (SES):

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.

Social Enterprise Scotland is an independent Scottish, membership-led organisation, built and controlled by social enterprises. Intended as the first point of contact for the media and public SES promotes a positive vision for social enterprise in Scotland. SES pro-actively collaborates with other social enterprise partners, the Scottish Government and wider public sector, the media, the private sector and local authorities.

Intervention Logic

Data gathered by both Firstport and Social Enterprise Scotland identified a gap in the social investment market for ambitious, early stage social enterprises struggling to access appropriate financial support. Given the impact-led principles and focus of SEs, there is a general inability to offer investors equity, which is typically used to finance early-stage risk in the private sector. The need identified was for a loan that was 'equity like', patient and enabled risk sharing between the enterprise and the investor. The Catalyst Fund was therefore established as a revenue-based investment fund, providing loans with flexible repayments determined as a percentage of trading income. The total repayment amount is agreed upfront with the enterprise, with no interest rate, so the enterprise continues to make monthly repayments until the total repayment amount is met. The Catalyst Fund is therefore always aligned with the growth journey of the enterprise, receiving increasing repayments as revenue increases. The aim is to support investee companies to grow to a point of either achieving financial sustainability or being able to attract traditional investment from larger social investors or lenders. It provides a means of financial support which simultaneously allows social enterprises to build up their trading history while developing their financial readiness for scaling the business.

While the need for this tool pre-dated the pandemic, its value and role in supporting the sector to grow sustainably was more pronounced as a result of the economic and social turbulence caused by Covid. The Catalyst Fund has therefore been prioritised as a recovery tool by the public sector and allocated to a social enterprise partnership to administer.

Objectives and Fulfilment of the Service

This fund is for ambitious social enterprises in Scotland who have potential to deliver significant social impact but are unable to access existing social investment products. An example would be start-up enterprises with significant set up costs or scale up costs who need more time to generate income before paying back their loans.

It was created as a result of a £15 million investment from the Scottish Government delivered in partnership by 2 leading Scottish intermediary bodies who also operate as social enterprises in their own right.

The Catalyst Fund offers loans starting at £50,000 using a revenue-based repayment model, providing social enterprises with the flexible finance they need without compromising their social mission. The following eligibility criteria is applied:

- Enterprises aiming to provide direct social benefit to individuals, communities and/or the environment
- Established enterprises which are able to provide evidence of potential income generation and social impact.
- Enterprises which reinvest their profits in the business and its social aims, ensuring there are no assets or uncapped dividends transferred out of the organisation to private individuals or bodies.
- Enterprises which have already considered other forms or providers of investment to fund the given project/ business plan. (eg banks, other social investors, angel investment). Enterprises are encouraged to consider whether other social investment products available might be suitable.

Applicants must be asset-locked, able to provide evidence of potential income generation and direct social impact, and also have been unable to secure other investment. All applicants are requested to attend an Information webinar before submitting an Expression of Interest form. This ensures each applicant has accessed all required information and considered all criteria in advance of assessment.

The application process has staged support embedded to ensure each applicant receives business advice, guidance and assessment as appropriate, including a meeting with an Investment and Growth Manager to discuss their readiness to take on social investment. The loan terms are based on individual assessment of each application. A final decision is made by an investment committee, aiming to ensure that each

organisation is provided with a decision within 8 weeks of the date the application was submitted. The funder then supports the enterprise to achieve their growth ambitions over the term of the loan.

The Catalyst Fund has been introduced for the specific purpose of filling a social investment and funding gap for the social enterprise sector. However, it is part of a wider pipeline of funding support already available to organisations with each interested party being signposted to Good Finance website for additional options and insight. <https://www.goodfinance.org.uk/>

Outputs and Impact

The Catalyst Fund is designed to finance ambitious social enterprises in Scotland. It offers loans starting at £50,000 using a revenue-based repayment model, providing social enterprises with the flexible finance they need in the early stages of development, without compromising their social mission. The fund, made possible by a £15 million investment from the Scottish Government, is delivered by agencies Firstport and Social Enterprise Scotland.

It is a tool aimed at early stage and scaling SEs keen to grow their financial readiness while establishing strong business plans and managing both risk and repayments through close collaboration with their investor. As such, this product is a critical addition to the SE eco-system and will broaden financial and social innovation outputs through supporting greater sustainability and enabling flexible growth. This model is designed in a way that allows it to scale alongside the sector's growth with a view to ensuring appropriate forms of investment are available to SEs throughout their different stages of growth.

Having just been launched in June 2021, as a significant element in the Scottish Government's Covid Recovery and Growth Programme for social enterprises, the actual impact of the fund is still building while the market is being developed and awareness raised across the sector.

Conclusion

The Catalyst Fund is a significant element of Scottish Government's Covid support and recovery programme for the SE sector. The ability to support flexible finance through shared risk and a patient repayment structure, based on SE income, addresses a significant gap in the eco-system created by the unique challenges of setting up a social enterprise. Where there is limited equity or security to offer the lender, this product acts effectively as a bridge between start up grants for entry level enterprises and income growth which is sufficient to attract larger scale investment.

This initiative demonstrates best practice collaboration between the finance sector, policy makers and sector experts to develop a viable financial instrument for scale and grow SEs. It is an innovative product which responds to the particular challenges and requirements of social entrepreneurs while enabling a move away from grant dependency.

By providing more options for, and greater accessibility to, financial support for mission-led start ups, this intervention has responded to sector intelligence, market demands and an opportunity to drive greater social innovation into Scotland's economy. It has been developed and delivered through a public/SE sector partnership which embraces the co-production ambitions of the Scottish Government and recognises the entrepreneurial strengths and expertise of Scottish SE intermediaries

Fact-Box

Name of the intervention: The Catalyst Fund

Objective: Provide a new social investment tool to support social enterprises, with potential for high-growth, to enter new markets and deliver significant social impact

Nature of intervention: A patient, revenue-based repayment model designed to help social enterprises obtain the capital they need to start-up and grow, whilst offering them a more flexible repayment approach to match their ambitions.

Time of implementation: 2021 - 2031

Costs: £15 million fund allocated from a wider Third Sector Growth Fund of £30 million.

Outcome: - Build awareness of alternative social investment instruments
- Invest in social enterprises to enable growth or further investment

Transferability (high/medium/low): Medium

The Catalyst Fund's First Investment

Sustainable Thinking Scotland (STS) became the first social enterprise in Scotland to secure investment from the Catalyst Fund. STS received an investment of £190,000 to enable them to bring their biochar technology to market. The fund's innovative funding mechanism means that the social enterprise will repay the investment via a share of their revenue as the business grows.



Stephen McQueen and Sean Kerr, founders, Sustainable Thinking Scotland

Sustainable Thinking Scotland CIC was established in 2016 by Sean Kerr and Stephen McQueen to help tackle social and environmental issues in their local area of Bo'ness, Falkirk.

STS approached the Catalyst Fund to help them fund the development of their biochar water remediation technology. Biochar, similar to charcoal, is obtained from 'baking' waste wood and other biomass at high temperatures and can draw down carbon from the atmosphere into the soil, storing it for hundreds to thousands of years.

Biochar was highlighted in the 2019 IPCC Special Report on Climate Change and Land as a product that 'could make a significant contribution to mitigating both land degradation and climate change, simultaneously'. It has several applications, but STS's innovations enable it to be used as a bio-absorbent to tackle the problem of nutrient pollution in waterways, which can lead to toxic algae blooms. Once 'charged' with nutrients and re-collected, the biochar can be added to the soil used in food production, demonstrating the circular economy approach in action.

STS will use the investment to accelerate the growth of the biochar project, increase production capacity and R&D, as well as to employ staff and develop core business operations for the intended scale up.

"Our mission is to be Scotland's leading organisation in the development and targeted application of biochar, driving innovation within water remediation technologies and land management, creating a circular economy model which benefits both our environment and the people within our communities.

The Catalyst Fund investment is a significant milestone in the development of our social enterprise, and together with the business support and connections provided by Firstport, will be the catalyst that allows us to drive innovation and regulation within these new carbon markets, helping to set the standards for environmental recovery, whilst contributing towards Scotland's Net Zero ambitions."

Sean Kerr, Director, STS

Good Practice Emilia-Romagna

“The new Regional Trilateral convention between the Emilia-Romagna Region, trade unions and companies (deliberation n.2022, 29/11/2021): new beneficiaries, more stable workplaces for disable workers and a renewed relation between for profit and non-profit companies”

Introduction of the instrument

At the end of 2021, the Emilia-Romagna Region concluded a consultation process with the regional key stakeholders in order to formulate a new trilateral agreement for the labor inclusion of people with disabilities. A new convention has been adopted, with the main goal to enlarge the group of beneficiaries and guarantee stable working conditions to people with mental and intellectual disabilities. The Italian **National Law 68/99** promotes the integration of disabled people into the labor market through targeted placement actions such as the obligation to hire a disabled worker for companies with more than 15 employees, incentives, and issues a penalty for those companies that do not hire disabled people. In addition, the **Regional Law 17/2005 (art.22)** introduced the opportunity for companies to outsource part of their activities towards social cooperatives that employ disadvantaged workers. As a result, **431 disable people were hired (12 and 13% of the hiring methods)**.

The Emilia-Romagna Region intends to increase this rate, by solving the main problems that arose during the period of experimentation of the Regional Law 17/2005, and entering in a new phase.

The new agreement has four main objectives:

- To include among the beneficiaries of the job placement programs both disable workers (with severe health conditions) and vulnerable/fragile people (Article 4 of the convention)
- To focus on the continuity of the working activities: the new convention will last 36 months, instead of 12, and will be renewable for 12 more months.;
- To include the disable workers into a more protected working environment where the dropout rate is lower (the cooperatives represent a more suitable place for a disable worker).
- To guarantee stable working conditions: the contract will last 12 months but the same disable workers can be involved in different activities without losing the job.

With the decision to further implement and improve the provisions of the Regional Law 17/2005, the Emilia-Romagna Region intends to confirm its commitment to increase the labor inclusion of the most vulnerable people, at the same time strengthening the relation between for-profit enterprises and social cooperatives which can benefit from longer and more stable commercial agreements.

Although this intervention was not initially intended as a post-pandemic measure for social enterprises, it has the potential to indirectly contribute to their competitiveness. In particular, the enlargement of the group of beneficiaries will increase the number of commercial agreements and new clients for social cooperatives.

Description of the problem tackled

Despite the important results obtained after the introduction of the Regional Law 17/2005 (431 disable people hired), the working integration of people with severe mental and intellectual disabilities still represents a challenge and one of the weakest elements of the regional labor market. In particular, it has been difficult to ensure the continuity of their professional careers and this aspect has been further aggravated by the pandemic. Also social cooperatives had been affected by the Covid-19 health and social crisis: most of them were at the forefront during the most difficult months, trying to guarantee the same high level services to their beneficiaries and dealing with the effects of the lockdown on commercial agreements.

Specific objective & intervention logic

The new Trilateral convention aims to close the experimental phase of the hiring method introduced by Article 22 of the Regional Law 17/2005 and to include the corrective measures capable of enhancing the impact of the Law. The traditional decision-making approach of the Emilia-Romagna region, which is based on concentration, has led to an agreement between public administrations, for profit companies, non profit organizations and trade unions. Even if private profit actors and the social no profit actors never substitute the Public role, they concur to the achievement of the general social interest of the public and this represents the intervention logic proposed by the policy.

The specific objective of the new convention is to extend the right to be included in labor inclusion paths to vulnerable people, instead of focusing only on workers with severe mental disability.

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.

Expected Impact

The provisions included in the new convention will be effective starting from January 2022. Nevertheless, the expected impact of this intervention will be based on these indicators:

- An increase of this hiring method from 12/13% (the actual percentage) to 30%;
- The end of the experimental phase, started with the introduction of the Regional Law 17/2005, and the beginning of the implementation.
- An increase of the number of beneficiaries included in the working paths (especially among vulnerable people).
- New and longer lasting commercial agreements.
- New clients for social cooperatives and closer relations with for profit companies
- Less impact on social services (this indicator can be measured with a periodic monitoring together with the targeted placement (Collocamento mirato) offices.

Why is this a Good Practice?

During the Covid-19 pandemic, social enterprises were at the forefront in the delivery of essential services, together with local authorities and the health system. For their commitment, social cooperatives and social economy organizations received refreshments from the Emilia-Romagna Region, which made it possible to limit the losses in terms of turnover and to maintain the employment levels.

However, the impact of the lockdown on their beneficiaries and their commercial agreements have been relevant.

The introduction of the new Trilateral convention represents good practice because it is aimed at increasing the employment rate of the most vulnerable workers, promoting at the same time cooperation and exchanges between for profit and nonprofit companies and guaranteeing longer commercial agreements and the opportunity to find new clients.

It has been noted that disable workers find it difficult to work full time and often it is not possible to give continuity to their working positions. This aspect represents a disadvantage for them, for the companies and for social cooperatives.

The small “revolution” of this regional intervention resides in the effort to update and an important policy dedicated to labor inclusion of people with disability. Moreover, the Emilia-Romagna social economy ecosystem has been able to propose itself as a key actor of this revolution. The concentration approach that takes place within the Regional Tripartite Commission and leads to the agreement on the new Trilateral convention is a traditional aspect of the Regional decision-making process but it could represent a transferrable model. In fact, 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.

This good practice is an interesting example of regional policy aimed to promote the balance between economic sustainable growth and social needs. The role of the Public Administration is to propose, orient and implement the action of the private part while safeguarding the public interest in a logic of subsidiarity.

Fact box

Name of the intervention: “The new Regional Trilateral convention between the Emilia-Romagna Region, trade unions and companies (deliberation n.2022, 29/11/2021): new beneficiaries, more stable workplaces for disable workers and a renewed relation between for profit and non-profit companies”

Nature of intervention: legislative

Time of implementation: January 2022 – ongoing

Costs: the intervention does not foresee costs

Transferability (high/medium/low): medium

“Analysis of the outputs and outcomes of the locally relevant projects promoted by voluntary organisations and associations for social promotion. E-R REGION (DGR 689/2019)”

Introduction

The Emilia-Romagna Region, thanks to the financing of the Regional Deliberation number DGR 689 of 2019, and on the basis of the general agreement signed with the National Ministry of Labour and Social Policies, financially supports **107** social projects with local territorial relevance. These projects are launched by Voluntary Organizations and Associations for Social Promotion.

Art-ER, for more than ten years, has played a role as an activator and promoter of social innovation, by carrying out the constant mapping and animation of the regional ecosystem through the territorial stakeholders’ engagement and networking and the evaluation of the social impact of local experiences and practices.

Description of the problem tackled

In Emilia-Romagna, social economy plays a decisive role for both social cohesion and the leverage of local development. Social Economy organisations represent a point of excellence in the regional territory: the presence and activity of associations and voluntary bodies contribute to consolidate the regional social and economic framework. Indeed, the value that these organisations contribute to add in terms of cohesion is essential for its competitiveness and has a positive impact on the community, on the local businesses and contributes to the functioning of the Public Administration. The presence of non-profit organisations is a proxy indicator of territorial development.

Art-ER for many years has been analysing the juridical and administrative regulation - introduced within the framework of the Third Sector Code (Italian National Law 117/2017) - for the co-design of plans and projects in social services and in urban renewal.

Specific objective & the logic of intervention

The local projects - promoted and coordinated by Voluntary Organisations and Associations for Social Promotion - concretely implement the regulation contained in the Code and the procedures it prescribes. The number of entities involved, the networks created, and the social impact obtained by the projects are an important field of investigation, given the social and economic outcomes they provoke. In continuity with the past evaluation - that was carried out on the projects financed by the Regional deliberation DGR 699/2018 - the present assessment has been directed to the effectiveness and the social impact generated by the projects made by Voluntary Organisations and Associations for Social Promotion.

Actors & beneficiaries

Regional Administration
Policy makers
Voluntary Organisations,
Social Promotion associations

The study synthesises the first results of the activities carried out during the Coronavirus emergency and the consequent redefinition of the project activities. By doing this, the study highlights the transformative and innovative potential of both projects and organisations.

Expected Impact

Re-addressing the regional social territorial policy framework even at a small scale.

Why is this a Good Practice?

The method adopted for the evaluation is focused on the *process* and follows the Theory of Change. It aims to define the Social Value Chain as a tool for the analysis of the project activities. Quali-quantitative indicators and information are defined in coherence with the social value.

Thanks to this methodological approach, tangible and intangible resources are identified in each of the project activities which were able to generate outputs. In a longer and wider perspective, based on the outcomes it is possible to observe the effectiveness of the policy.

This method has been applied to the project activities in order to assess the change introduced by the CO-Vid pandemic and the effects and impact of the re-definition activities on the territory.

Fact-Box

Name of the intervention: "Analysis of the outputs and outcomes of the locally relevant projects promoted by voluntary organisations and associations for social promotion. E-R REGION (DGR 689/2019)"

Nature of intervention: legislative

Time of implementation: January 2022 – ongoing

Cost: the intervention does not foresee cost

Transferability (high/medium/low): medium

“Success story”

Projects of local importance promoted by ODV and APS (DGR 689/2019)

1st CRITERION: Projects that in the remodelling of activities have particularly excelled, in order to be able to meet efficiently the new territorial needs that emerged, or the urgencies accelerated by the pandemic throughout “domiciliarization” and personalization of services, digitalization, orientation on the territorialization and the centrality of interventions for the communities or that have been points of reference, connection and orientation to the services.

“C’entriamo”

Description of the problem tackled:

The project had the purpose of countering unintentional loneliness, especially in the elderly population through initiatives and pathways of active and participatory involvement; promoting the participation of children and young people as protagonists so that they become agents of change; development and strengthening of social links, to be promoted within fragmented or disadvantaged urban or suburban areas with particular reference to the development of communitarian actions, of cohesion, with the aim of creating meaningful links and relationships to encourage the participation of families in the neighbourhood’s life. Eventually, despite all the difficulties the “Rosa Marchi Social Centre”, helped by its partners, was able reach those goals.

Target groups:

Children and young people within high school; young people under 34; elderly over 65; disabled; multiusers; subjects of the territorial community.

Results and impact:

Due to the Covid19 emergency many activities have been rethought and converted into online interventions and audio-video content, trying to remain as faithful as possible to the mission of the project, as well as being present and active despite the impossibility of doing live meeting. For instance, it was organized a “Bike ride”. The activity allowed the participants to get to know each other and socialize with each other, enhance the territory and becoming responsible cyclist that are aware of the proper use of bicycle as a means of daily travel and to have a better approach to sustainable mobility. Being on bikes ensured the personal distancing necessary in the Covid period. The young people were able to experiment and learn about new bike paths and parks in the area; thanks to the explanations of the volunteers, they were able to deepen their knowledge of road signs, safety and the correct use of the bike on the road. The meetings proved to be interesting for the children and for their parents.

Why is this a good practice?

Efficient remodulation: the resources of the Red Cross on the first aid training activities have been entirely diverted to support grocery home delivery ; in addition all action that could not be realised in presence, one after another, have been moved online and rethought for the same target in terms of domiciliary or through individual meetings, introducing new and creative actions like for instance the “spinning tops” realized by grandmothers for children of primary schools.

“Facciamo Circolare L’economia”

Description of the problem tackled:

The project was born with the aim of prolonging the life of object that too often are thrown despite being still good, because they are past fashion or have tired us. It also wants to promote more conscious and sustainable forms of consumption and forms of creative reuse. The project has made it possible to organize several technical training courses regarding circular economy called “T-Spiego” (restoration, electrotechnics, cycle-mechanics, carpentry and tailoring) in order to increase the number and the skills of reuse centres volunteers, involving at the same time fragile subjects who will be taught the new skills. Before the pandemic, the project idea was to provide a cycle of training courses and to open a temporary store.

Target Groups:

Subjects in condition of poverty and/or social hardship; multiusers; subjects of the territorial community

Results and impact:

Despite the pandemic all the training courses were sold out. During the forced suspension of activities in March the partners decided to continue the activities by recommending YouTube videos to learn useful notions on project topics or by moving online, if possible, some courses (for example the course of tailoring). During Covid19 pandemic it was necessary to rethink everything in order to turn more resources to the containment of social discomfort. Hence, the idea of closing the project by proposing a new space. In fact, at the end of the project “T-Riparo, Officina di Comunità”, a shared repair space located within the municipal centre of reuse “Tric e Trac”. The space was born to improve the potential of the centre but most of all to create a new place that can promote social cohesion, especially for people in social hardship, through the development of manual skills. T-Riparo is a “Garage” open to all the citizens who can go there to repair their own objects helped by the staff or leaving them to the reuse centre. It is not a repair service, but a shared space, in which to bring, in addition to objects, also your own skill and to put them at the service of other users.

Why is this a Good Practice?

In this case the pandemic was an opportunity to rethink the objective of the project, changing it from a temporary re-use to a definitive service in agreement with the municipality, with also the possibility of job opportunities and remuneration for disadvantaged people.

“Album di famiglie: Il Quadrilatero tra passato- presente e futuro”

Description of the problem tackled:

“Album di famiglie” (family album) is a project of intervention in favour of social cohesion for the residential area of the quadrilateral, an area of about 500 popular housing built in 1930’s. “Album di famiglie” highlights the plurality of origins, cultural heritage, generations of citizens whose wealth of experiences, memories, knowledge must be valued and handed down.

Target Groups:

Families who live in the quadrilateral; migrants, Roma, and Sinti; children; young people; elderly; subjects of the territorial community

Results and impact:

Most of the actions were carried out despite the difficulties due to Covid19 pandemic. Some neighbourhood actions, such as intercultural narratives and intergenerational readings between young and elderly, or the mediation action in the condominiums of the Quadrilateral, have been moved online or to be enjoyed safely

to respond in a different but functional way to reach the objectives. Other action that stated in presence were interrupted in March and rescheduled in the autumn, for instance the intercultural theatre laboratory and the laboratory from scratch to PC. In addition to the actions planned before the pandemic, project partners carried out races to deliver groceries, to donate tablets to children in remote learning and provide help with homework to children and young people in difficulty. In particular, the Red Cross has revolutionized its actions, being unable to do its training on sexually transmitted diseases and first aid manoeuvres to young people, decided to change their priorities to help with the home delivery of grocery and protective equipment especially to elderly and to also help them with the transport to make medical exams. Even in this period of forced closure of all the Centres and social aggregative spaces, these realities in compliance with all the Covid regulations have found a new path to open up to the community, making them increasingly pivotal centres of activities.

Why is this a Good Practice?

Resources have been moved efficiently where needed: one of the activities has been replaced with grocery home delivery. The other neighbourhood actions have been moved online or to be enjoyed safely (redesigned to be accessible online, as video collection of stories/podcasts instead of meetings in person about narrative) to respond in a different but functional way to reach the objectives

“Success story”

2nd CRITERION: Projects carried out in the most peripheral/ internal districts of the provinces with fewer opportunities and greater isolation, especially in times of pandemic emergency (for instance located in “internal areas”)

Un Amore... di Orto”

Why is this a Good Practice?

Un amore... di orto is a project that was carried out in Castelnovo ne’ Monti (Reggio Emilia). A large part of the budget, at the time when the project activities had to be suspended, was allocated (11.000,00 and beyond) to provide home assistance for Covid19 emergency.

“Montagna Corale”

Description of the problem tackled:

“Montagna Corale” is a project located in the Bologna Apennines district that was meant to actively engage children into workshop and support their parents’ needs thanks to a team of psychologists.

Target groups:

Families and children aged 4 and over; disabled; subjects of the territorial communit

Results and impact:

They reorganised the art workshops, by personalizing them remotely, in favour of minors from families with discomfort. In addition, they have provided an additional support to the one activated by schools in the months of May-June and summer, using digital tools close to the children, while paying attention to their appropriate use. When the meetings of the review “Sassolini” were suspended the association “SassiScritti” wanted to give a sign of closeness to families in a concrete way by doing the “Sassolini box” in which the artists who should have been involved in the workshop/exhibition provide instruction to create art at home.

Inside the box families also found part of the material they needed to use to make the arti-facts, a message from the artist and some useful cards for parents provided by the psychologists of the Blue Chair. Moreover, they organised the Sassolini Summer School 2021 to continue, during summer, outdoor and live version of the children's festival. The summer school will allow children and artists to finally meet in presence after a hole year of online meetings.

Why is this a Good Practice?

They reorganised the art workshops, personalizing them remotely, in favour of minors from families with discomfort. In addition, they have provided an additional support to the one activated by schools in the months of May-June and summer, using digital tools close to the children, while paying attention to their appropriate use.

“Success story”

3rd CRITERION: Projects that saw a large mobilisation of volunteers and offers of help during the emergency and that then adopted a long-lasting character.

“Giovani identità: percorsi di partecipazione attiva tra integrazione, volontariato e solitudine”

Why is this a Good Practice?

They quickly reorganised the actions, already at the beginning of the emergency: by delivering food packages and grocery home delivery for the elderly and/or fragile households covering over 40 families, and online meetings to support in their studies students at risk. Online meetings too were organised with families in order to provide them with psychological help. 200 volunteers were involved, significantly more than the initial estimated 35 volunteers.

“Numero Unico Trasporti Sociali”

Description of the problem tackled:

The “unique number” +39.059.4728738 was created to be made available for the one hundred and twenty thousand inhabitants of the Union of Municipalities “Terre D’Argine” (Carpi, Novi, Soliera, Campogalliano) whenever they need to carry out medical tests, therapies, transfers, hospital resignation as well as other needs that involve the use of adapted vehicles to meet various personal and temporal needs. The objective is to facilitate citizens in the laborious search to find who can make sporadic or continuous social-health transports, for both self-sufficient families and the ones in condition of personal fragility. As a matter of fact, the demands for these transports are in continuous increase and it is necessary to avoid scattering human resources and to improve this kind of services, which each organisation involved in the projects has been carrying out for years.

Target groups:

Elderly, disadvantaged, fragile citizens

Results and impact:

The project proved to be decisive during the Covid19 emergency because it has always guaranteed the delivery of groceries and drugs, in compliance with the isolation required by government regulations, to all people who requested it. The initiative, which was launched in March and has lasted throughout the summer, has been guaranteed by some voluntary associations and covers the entire territory of the Union “Terre

d'Argine". The service of the "unique number", designated "Progetto Alfa" can even deliver medicines distributed by the hospital's pharmacy in the same way, in order to avoid waiting lines outside the healthcare facility, especially for elderly and people with chronic diseases, and in general for the most fragile people.

Why is this a Good Practice?

They have moved their whole budget on ambulances and other instruments to fight Covid19 emergency in March 2020. 350 volunteers were involved, 60 of them were under 35.

RaiSE GP Mapping

	Nr	2
	Region	Emilia-Romagna
	Name of policy instrument	Analysis of the outputs and outcomes of the locally relevant projects promoted by voluntary organisations and associations for social promotion. E-R REGION (DGR 689/2019)
	What is the problem (background) to be solved (objective, and who beneficiary is supported)	Social Economy organisations represent a point of excellence in the regional territory: the presence and activity of associations and voluntary bodies contribute to consolidate the regional social and economic framework. They contribute in terms of cohesion, competitiveness, local business and territorial development
Description	How did the problem get addressed (intervention logic) and who is the policy owner?	The local projects - promoted and coordinated by Voluntary Organisations and Associations for Social Promotion - concretely implement the regulation contained in the Code and the procedures it prescribes. The number of entities involved, the networks created, and the social impact obtained by the projects are an important field of investigation, given the social and economic outcomes they provoke.
	What is the timeframe of the policy instrument (is it of limited or permanent duration)? Which outcomes can be observed, leading to which results? Are there already any lessons learned?	Timeframe: January 2022 – ongoing. The study highlights the transformative and innovative potential of both projects and organisations. The expected impact is re-addressing the regional social territorial policy framework even at a small scale.
	Type of policy instrument	Legislative
	Covid-19 specific	Yes
	Expected level of impact	Regional

Good Practice Örebro

Web-based platform for social enterprises

Introduction of the instrument

As a way of supporting social enterprises in Örebro county in times of the corona pandemic, Region Örebro County's political board for regional growth and the political board for culture have invested in a web based platform for social enterprises. This investment is one of several 're-start packages' due to the pandemic. This particular 're-start package' focuses on opportunities for social enterprises.

During 2021 Region Örebro County's partner Coompanion Mälardalen (a support organization for social economy) has had the commission of developing the platform. The platform was launched in January 2022, and will be managed by Coompanion and is found at www.sjalvklart.nu.

Description of the problem tackled

At the platform, social enterprises in Örebro county have the opportunity to be listed with their products and services, information on which of the Global Goals for Sustainable Development they contribute to. The platform can be used by public buyers and in public procurement, as well as by enterprises who want to cooperate or do business with social enterprises perhaps as a part of their CSR work and by anyone who wants to be an aware consumer and support regional social enterprises by buying their products and services.

The platform has been requested and is long-awaited in the county. At the same time, it is the first platform of its kind, as far as we know, in Sweden. There are a couple of other platforms, however with a slightly different focus and objective. Another platform in the Västra Götaland region is Socialtrade.se, a sales- and marketing platform for work-integrating social enterprises in the Västra Götaland region.

Social enterprises in the Örebro county need to be more visible. Their basis for commission and business needs to grow. The public sector can by using public procurement aimed at social enterprises make a difference. However, public buyers need to be strengthened in their practical knowledge on social enterprises in the county, as well as how other public authorities have used public procurement aimed at social enterprises. Here, the political governance is important in putting the issue on the agenda at both local and regional level. The platform aims at being both a platform for finding social enterprises and supporting public procurement by showing best practice.

Specific objective & intervention logic

The platform was initiated as part of 're-start packages' prioritized politically at Region Örebro County. As for this particular 'package' the specific objective was to improve the conditions and growth of social enterprises in times of the corona pandemic.

The platform can be used by public buyers and in public procurement, as well as by enterprises who want to cooperate or do business with social enterprises perhaps as a part of their CSR work and by anyone who wants to be an aware consumer and support regional social enterprises by buying their products and services.

Development of the platform was given as a commission to Coompanion Mälardalen, the primary support organization for social enterprises and social economy. This commission is well linked to other missions at Coompanion Mälardalen and their networks.

Impact created

The platform will provide an opportunity for social enterprises and their products and services to be discovered by public buyers, enterprises who wants to cooperate and do business with social enterprises, as well as by consumers. The impact sought for are more opportunities for social business to be subject to public procurement and more opportunities to do business and sell their products and services. The impact sought for is also to strengthen public buyers in their practical knowledge on social enterprises in the county as well as knowledge on public procurement in practice by being able to take part of good examples (best practice).

A Success story

The platform has been requested and is long-awaited in the county. It's success story is to come, since it is launched in January 2022.

Fact-Box:

Name of the intervention: Web-based platform for social enterprises självklart.nu.

Objective: Improving the conditions and growth of social enterprises in times of the corona pandemic, with a focus on social enterprises, public procurement and enterprises who want to do business with social enterprises.

Nature of intervention: Web-based platform for social enterprises självklart.nu

Time of implementation: Platform developed during 2021, launched January 2022, up and running ongoing.

Costs: Investment by Region Örebro County during 2021 for developing the platform 230 000 SEK, for managing the platform during 2022 70 000 SEK. Free of charge for social enterprises to be listed on the platform.

Outcome: Growing social enterprises, more public procurement with social enterprises in the county as well as more business for social enterprises

Transferability (high/medium/low): high