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## 4 PILOTS – DOZENS OF RECOMMENDATIONS

Results of the regional pilot  
projects of the DelFin family



# PILOT ACTIONS - FRAMEWORKS, CHALLENGES, RESULTS

The partners of the DelFin project formed national tandems and implemented regional pilot projects between September 2020 and April 2021 in order to test the tools of the DelFin toolbox for the development of social enterprise ecosystems in rural regions.

The pilots targeted **four rural regions** in Central Europe:

- Saalekreis in Saxony-Anhalt, Germany
- Hajdu-Bihar, Borsod-Abaúj-Zemplén and Jász-Nagykun-Szolnok counties in Hungary;
- Piedmont Region in Italy and
- Karlovac County with Duga-Resa in the center in Croatia

The partners addressed more than 100 target group members (individuals intending to implement their social business ideas, startup social businesses, traditional SMEs with the intention to start impact driven operation and mature social enterprises) in the initial phase of the pilots. More than 40 social enterprises and entrepreneurs had been selected as participants of the pilots and finally more than 10 of them fulfilled the 'mission' successfully proving their readiness for starting new social businesses in rural regions.

The implementation of the pilot projects had been supported by several stakeholders of the local social enterprise ecosystems; numerous public authorities, academic and research institutions, incubators, financial institutions, business development organizations and chambers of commerce and industry had been involved in the realization of the pilots as service providers and regular or occasional attendees of the pilot events.

While implementing their pilot projects, each tandem had to adapt to the drastically changed circumstances caused by the COVID-19 pandemic, therefore the majority of the activities and events had been transformed to online platforms. Partners successfully managed this transformation of the pilots and implemented 12 pilot workshops (one kick-off, one midterm and one project closing workshop in each of the four target areas) and organized 4 pilot visits within the frameworks of the pilots. 18 business development, financial and evaluation tools have been tested during the four pilots, which provided direct support to social enterprises in the rural areas of the Central European region through entrepreneurial skills development training sessions and workshops as well as through financial skills development training sessions and workshops. Furthermore, the pilots provided tailor-made business and financial mentoring to the participants in order to support the internalization of the theoretical and practical knowledge transferred during the trainings and workshops. Mentoring also helped the preparation of the participants for business and financial planning and for pitching their ideas and plans

The most important results of the pilot projects were the **new social enterprises** established, the **new social business models adapted**, and the **new products or services** developed by the participants by the end of the pilots. As an additional result of these experimental projects **four new tools** had proved to be effective in social enterprise development and been added to the DelFin Toolbox. (<https://delfin.atlassian.net/l/c/QUxHagh1>)

1. [Financing - Rinascimento Firenze - Programme for micro and small enterprises](#)
2. [Financing - Grant supporting universities in market transfer](#)
3. [BSS - Incubation process with need-orientated education](#)
4. [Evaluation - Mutual learning process through regular feedback loops](#)

# RECOMMENDATIONS FOR PUBLIC AUTHORITIES AND FINANCIAL INSTITUTIONS

The partners conducted continuous and standardized **evaluation** activities and due to this self-reflexive approach identified the **challenges** which they had been facing with, presented the **solutions** elaborated for those challenges and the **lessons learnt** during the pilots regarding the development of social enterprise ecosystems in rural regions. Within the frameworks of transnational working group meetings, evaluation surveys and pilot evaluation reports these outcomes have been formulated to **recommendations** for **local authorities** and **financial institutions** as the most relevant stakeholders to develop supporting policy frameworks and ecosystems for social enterprises in rural regions. The recommendations had been clustered by the partnership in three main groups:

- **Approaching** and **understanding** the target groups and stakeholder groups forming the ecosystem to be developed
- **Involvement** of target groups and stakeholder groups (ecosystem members) in each stage of the programs
- **Adapting** the tools from the toolbox tested during the pilot programs

In case of **local public authorities** the recommendations highlighted the importance of **preliminary mapping of stakeholder groups, accurate definition of the target groups, effective training and capacity building** activities and **co-designing of programs**. Regarding public authorities, the **involvement of stakeholders** through the whole development process (planning, implementation, evaluation, scaling and multiplication) had been emphasized as well as the **motivation** of stakeholders for **participating in development programs** and the **encouragement of mutual learning** and **exchange of experience** activities.

In case of **financial institutions**, the most important recommendations were focusing on the **creation of internal teams** for social enterprise financing and their **competence development**, as well as the **more accurate profiling** of potential social enterprise customers. On this basis **wider offer of tailor-made financial products** should be provided to social enterprises. **Flexibility of these products** should be secured through **continuous follow-up, mentoring and consultancy** and **adaptive re-payment periods** according to the recommendations. Furthermore, the recommendations emphasized the **modification and tailoring of the decision making processes** of financial institutions (e.g. integration of social impact measurement aspects and tools in scoring methodologies, revision of risk assessment and risk taking policies in case of social enterprises, consideration of regional and national policies regarding social entrepreneurship during product development etc.) Finally, recommendations for **involving stakeholders** in product design, implementation, assessment and dissemination as well as recommendations for **motivating stakeholders** to participate and **encouragement of mutual learning and exchange of experience** activities had been formulated in case of financial institutions too.

The preliminary **recommendations will be validated** during the next phase of the DelFin project and capacity building activities will be designed and implemented on the basis of them, which may support the formation of supportive local and regional environments for social enterprises in rural areas of the Central European region.

# CONCLUSIONS AND LESSONS LEARNT

Beyond the above presented results, DelFin partners benefitted from the regional pilot projects as they learnt how to set up effective programs for creating enabling environment and developing supportive ecosystem for social enterprise promotion.

Based on these lessons learnt the following recommendations have been formulated for other organizations and projects which intend to set up such programs:

- **Apply regional approach and concept** considering territorial situation; needs and problems of the ecosystem, goals, target groups, stakeholder a.s.o. (accurate mapping, analysis and preparation)
- Think about how to **reach your target group effectively** (well-designed selection process)
- **Intensively involve your stakeholders and partners** (ecosystem approach)
- Carefully plan and implement your interventions **using the DelFin toolbox** (adopting tools taking into consideration flexibility, mixing opportunities and appropriate timing of implementation)
- **Evaluate**, but keep it simple and easy.



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