

OUTPUT FACT SHEET

Pilot actions (including investment, if applicable)

Version 1

Project index number and acronym	CE1345 SIV
Output number and title	O.T3.1 Voucher System Tool - Croatia
Investment number and title (if applicable)	n/a
Responsible partner (PP name and number)	PP2 Zadruga za etično financiranje
Project website	https://www.interreg-central.eu/Content.Node/SIV-.html
Delivery date	31 May 2022

Summary description of the pilot action (including investment, if applicable) explaining its experimental nature, demonstration character and transnational added value

The pilot action in Croatia addresses a target group that was available to ZEF through its network of partners as ZEF is an organization specialized in the design of innovative impact-oriented financial instruments, and not implementation of labour-support programmes.

Therefore, the pilot programme was implemented with the support of ZEF's member, Social Cooperative "Martinov Plašt", a cooperative specialised to provide support in finding employment for various social vulnerable groups - people with disabilities, long-term unemployed, elderly, homeless, former prisoners etc.

As the best entry point for the pilot testing of the voucher programme, an existing but relatively unknown employment scheme has been used. A key objective was to demonstrate that voucher system can improve the applicability, visibility and usability of the mentioned scheme, leading to its higher efficiency in utilisation and increased number of employed people who benefit from the scheme.

According to Croatian legislation, employers are required to hire at least one person with disabilities on every 20 people without disabilities employed by the employer. If they do not meet the target share of employed people with disabilities, employers are obliged to pay a penalty to the Institute for expertise, professional rehabilitation and employment of persons with disabilities (ZOSI) in the amount of minimum salary defined by the law. Employers could be exempt of payment of the penalty in case that they buy product or services from the employers employing people with the disabilities in the same (or higher) amount. This alternative option is very rarely used, leaving many social enterprises employing people with disabilities without prospective revenues that would enable them to employ more people and improve financial stability of their organisations.

Pilot action wanted to demonstrate that by using voucher systems, the described system could be significantly improved, leading to higher use of the option to buy goods and services from people with disabilities on a longer term.

NUTS region(s) concerned by the pilot action (relevant NUTS level)

Grad Zagreb (HR05)

Investment costs (EUR), if applicable

In case the pilot action includes an investment, please indicate the total costs of the investment financed by the project (only cost items under BL5 and BL6 should be considered).

Total costs of the investment financed by the project: 0 EUR

Expected impact and benefits of the pilot action for the concerned territory and target groups and leverage of additional funds (if applicable)

The expected effect is to scale up visibility of the scheme that allows employers employing people with disabilities to establish long-lasting business partnerships with companies in need of their goods or services.

The scheme in itself is not very widely known, is administratively complex and difficult to promote. However, with the voucher system who puts the administration responsibility on the level of provider of social services, companies are much more attracted to participate in the scheme and realise benefits of using it. Instead of just paying penalties for not employing enough people with disabilities, companies can actively engage in B2B relationships with companies providing goods and services provided by people with disabilities and can improve their positive social impact by direct choice and not out of administrative/legislative obligation.

If successful, a scheme could be extended to all other social groups and could become a standard method for improving companies' social impact, as required with new EU Taxonomy and new non-financial reporting directive (NFR directive) which is currently been discussed in European Parliament.

Based on the success of this action, we expect investment from private philanthropic investor in the amount of 50.000 EUR, with the addition of the implementation of the scheme throughout investor's business portfolio of companies.

Sustainability of the pilot action results and transferability to other territories and stakeholders

If proven successful, the scheme could be replicated to other areas of Croatia, and hopefully integrated with national employment schemes run by Croatian Employment Service.

We also see that scheme could be very interesting for forward-looking and impact oriented companies, especially through the fulfilment of their obligation to measure the social and environmental impact of their operations in accordance with NFR directive.

Further advancement of ESG policies which are becoming standard in the business world, and are going to replace voluntary CSR policies, are further opportunity to expand, broaden both the voucher employment scheme and the size of the transnational social impact fund's contribution from Croatia.

If applicable, contribution to/ compliance with:

- relevant regulatory requirements
- sustainable development - environmental effects. In case of risk of negative effects, mitigation measures introduced
- horizontal principles such as equal opportunities and non-discrimination

Please describe, if applicable, the contribution to and/or compliance with the above mentioned requirements by addressing the following guiding questions:

- Have the relevant regulatory requirements been complied with?
- What is the contribution in terms of a sustainable development?
- Is there a risk that the pilot action has negative environmental effects? If yes, which mitigation measures have been introduced?
- How have horizontal principles been respected and integrated?

Pilot action was developed and implemented based on our impact assessment and impact measurement policies that are following Economy For Common Good / Common Good Matrix assessment methodology.

Methodology looks into and makes assessment of 4 distinct pillars of impact - Human Dignity, Solidarity and Social Justice, Environmental Sustainability and Transparency and co-determination. The advantage of this methodology is that those pillars are tested not only from the perspective of the employer itself, but also the employers suppliers, owners and financial providers, customers and other companies and social environment in which it operates. This covers therefore 20 different areas of impact, each with its own set of indicators.

Results are quantitative, could be compared between companies and are also great tool for business planning for the improvement of companies score over some future period in time.

More info on approach on www.ecogood.hr and www.ecogood.com (impact design).

References to relevant deliverables (e.g. pilot action report, studies), investment factsheet and web-links

If applicable, additional documentation, pictures or images to be provided as annex

- project website: <https://www.interreg-central.eu/Content.Node/SIV-.html>
- Sklad 05 webpage <https://www.zef.hr> (we are in the process of changing the name of the company)
- the transnational fund webpage: <https://next-access.org/>
- impact investment information <https://www.ecogood.hr>

The Pilot Action has been related to following deliverables:

- D.T.3.1.1 Voucher Process
- D.T.3.1.5 Voucher Management Workflow
- D.T.3.2.1 Improved Voucher Process
- D.T.3.2.4 Improved Voucher Management Workflow
- D.T.3.3.1 Recruiting Event concept and timeline
- D.T.3.3.2 Voucher Recruiting Events
- D.T.3.3.3 Contact Lists
- D.T.3.3.4 SME Registration
- D.T.3.3.5 Voucher Distribution
- D.T.3.4.1 Stakeholder Briefings
- D.T.3.5.1 Status Report on progress of work experience
- D.T.3.6.1 Status Report on job seekers Experience