

VP/SI IN CENTRAL EASTERN EUROPE

CASE STUDY

SMART KOLEKTIV – OPTIMIST

SOCIAL PROBLEM

In the last decades the southern Serbia municipality of Bosilegrad has suffered from depopulation, unemployment, poverty and insufficient economic growth.

- 48.6% of the working age population is unemployed and belongs to socially vulnerable categories.
- Over half of the agricultural land in Bosilegrad is not being cultivated.
- The lack of storage facilities makes it difficult to cultivate throughout the year, which results in irregular incomes for those working in this field.

Growing strawberries



SOLUTION

Optimist's mission is the **economic empowerment** of socially **vulnerable families** in the **south of Serbia** through the creation of working opportunities in **agriculture**.

The SPO launched the programme *Circle of Philanthropy* with the goal of giving these families access to free ploughed land, greenhouses, storage facilities, irrigations systems, strawberry seeding and expert support in growing strawberries.

Serbia

ABOUT THE VPO & THE SPO

Smart Kolektiv	Optimist Association	Circle of Philanthropy
VPO <ul style="list-style-type: none"> • Founded in 2003 • Pioneer in promoting corporate social responsibility (CSR) and social entrepreneurship in Serbia • Support social organisations, social enterprises and young entrepreneurs to start businesses, and to become sustainable and competitive • Support companies to develop CSR programmes 	SPO <ul style="list-style-type: none"> • Founded in 2006 • Support by Smart Kolektiv began in 2014 • Sectors: development of democracy, human and minority rights, gender equality, and fight against corruption • Beneficiaries: socially vulnerable people and marginalised groups (the elderly, children and youth, disabled people, Roma, etc.) 	Project <ul style="list-style-type: none"> • Launched by Optimist Association in 2011 • Aim: engagement of vulnerable families in the agricultural production of vegetables, in order to foster these families' economic empowerment

SPO AND VPO'S OBJECTIVES FOR THIS PROJECT



1. Increasing social impact by ensuring **regular incomes** for employees and engaging **more families** in production.
2. Development of sustainable **fundraising mechanisms** for engaging new families and providing free support to existing families in agriculture.
3. Development of **partnerships with companies** that will guarantee the purchase from producers at fair prices.
4. **Scaling up** of business through the development of facilities for processing agricultural products.

APPROACH TO IMPACT MEASUREMENT



Smart Kolektiv defines the outputs and assesses the SPO's **needs and goals** at the beginning of the investment through **interviews** with Optimist. The VPO draws a picture of the state of the SPO before providing any support (using the outputs in the box on the right and an assessment of the SPO's profits, incomes, and needs).

During the project, Smart Kolektiv measures the following **outputs** (in the box on the right) **every three months** through a questionnaire.

A final assessment of the SPO's **achievements** is performed at the end of the programme.

Outputs

- # of families supported
- # of people engaged
- # of direct beneficiaries

Outcomes

- Increased income of engaged people
- Regular income
- Increased employment rate
- Improved agricultural production in Southern Serbia

SMART KOLEKTIV'S INVESTMENT

FINANCIAL SUPPORT



Matching grant – In the first year of support, Optimist needed to raise up to €4,000 and Smart Kolektiv matched the amount with €4,000. That way the SPO received support of €8,000. In the second year, Optimist received an additional grant of €7,000.

NON-FINANCIAL SUPPORT (NFS)



Access to networks



Management team & CEO support



Fundraising or revenue strategy



Strategic support



Marketing & communication



Technical assistance in specialist areas



Building partnerships with companies

Smart Kolektiv has its own network of experts, who are usually contracted, sometimes pro-bono.

Smart Kolektiv has started measuring the cost, impact and value of the NFS it provides to its investees using a methodology developed in-house based on **EVPA's Guidelines**.

FINANCIAL AND SOCIAL RETURN TO DATE

Thanks to Smart Kolektiv's support, the number of families engaged in agricultural production in Optimist's enterprise

has raised from 30 families in 2014 to 47 families in 2017. With the launch of secondary production and the opening of processing facilities in 2016, Optimist has reached its break-even point and made its first profit.

THE SPO'S DEVELOPMENT PLAN

Optimist is one of Smart Kolektiv's strongest candidates for **follow-up support**, ideally with another financial instrument than a grant. Smart Kolektiv has been looking for business partners for Optimist, larger exporters who could become the co-investors or even buy the company.

Optimist is now focused on development of new products, e.g. honey, dried fruits and vegetables. This year the SPO will invest profit and raised funds to obtain Hazard Analysis and Critical Control Points (HACCP) standards, and to purchase cold storage and solar dryer. The goal is also to develop, from the beginning, strategic partnerships with larger exporters for dried fruits and vegetables.

INVESTMENT OPPORTUNITY



If Optimist received a €50,000 investment, it could:

- Purchase new modern technology for this “social factory”;
- Introduce HACCP standards and new products;
- Employ at least five new people from disadvantage groups;
- Start supporting young entrepreneurs in their municipality to grow their business ideas and contribute to community.

WHAT THEY THINK



Today, five years after our first contact with Smart Kolektiv, we can say, without any doubt, that the partnership that we’ve built through several different programmes has largely contributed to capacity strengthening, growth and country-wide recognisability of our social enterprise, as well as many other successful social enterprises across Serbia.”

Vladimir Stojanovic, Programme Manager,
Optimist Association



Optimist is the SPO that has the most social impact in our portfolio. It also has the best potential to scale up and to be replicated in other regions or even other countries than Serbia.

This is the one of the most touching story to me; the community where this project is located is very remote, poor and under-developed. Working with such a great team and having such good results from our investee is extremely rewarding for Smart Kolektiv.”

Ivana Stancic, Programme Manager,
Smart Kolektiv

For more information:

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Disclaimer

The case study presented in this leaflet features organisations that are continuously working on their business model. As a result, all cases are evolving organisations and thus their model is continuously improving.

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