

# FUSE Communications Report



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Purpose of the report:

The aim of this report is to spread the learnings and challenges of this two-year journey with the wider social innovation community.

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# Introduction

Social innovation has quickly emerged in European practice, research, and policy discourse as a mechanism for generating social, environmental, and economic value when it comes to addressing the complex challenges that our societies face - challenges that include climate change, social exclusion, an ageing society, depopulation of rural areas, and digitalisation.

Social innovation refers to the development and implementation of new ideas, products, or services that address social problems or improve the wellbeing of individuals, communities, or society as a whole. It involves creating and implementing new solutions that bring about positive social change and tackle issues such as poverty, inequality, climate change, education issues, and healthcare objectives to address social issues and create positive change.

In 2020, the European Commission (EC) announced a call for proposals for “Competence Centres for Social Innovation”, funded in part by the European Social Fund (ESF), and EU Programme for Employment and Social Innovation (EaSI)<sup>1</sup>. Six consortia were selected to establish National Competence Centres for Social Innovation and drive social innovation locally, regionally, nationally, and transnationally. There were four key objectives:

- **Capacity building:** to develop the capacities of key social innovation stakeholders, notably ESF Managing Authorities, funders and donors, intermediaries, social innovation initiatives and practitioners alike. This is to be pursued by providing professional support services. These will range from design and development to assessment, upscaling, and mainstreaming of social innovations through effective public policies and actions, and creating a conducive environment for social innovation in each Member State.
- **Transnational transfer of knowledge:** to transfer know-how and tools for the support of social innovation from ESF Managing Authorities, social innovation competence centres, and social innovation stakeholders with a long-standing and deep experience within organisations in Member States who have a shorter and less developed or less comprehensive experience and competence in this field. Establishing a mentoring relationship between competence centres of both types of Member States will be instrumental in this respect.
- **Creation of synergies:** to create further synergies between the EaSI programme and the ESF, especially in view of designing, supporting, monitoring, and mainstreaming innovative actions that could be extended, enlarged and/or replicated using ESF+ funding in subsequent years.
- **Networking:** to network and cooperate with other selected competence centres through mutual learning and the joint development, assessment, and optimisation of suitable tools and methods, collecting and disseminating inspiring examples, models and practices in the process.

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1 <https://ec.europa.eu/european-social-fund-plus/en/competence-centres-social-innovation>

# The FUSE Project

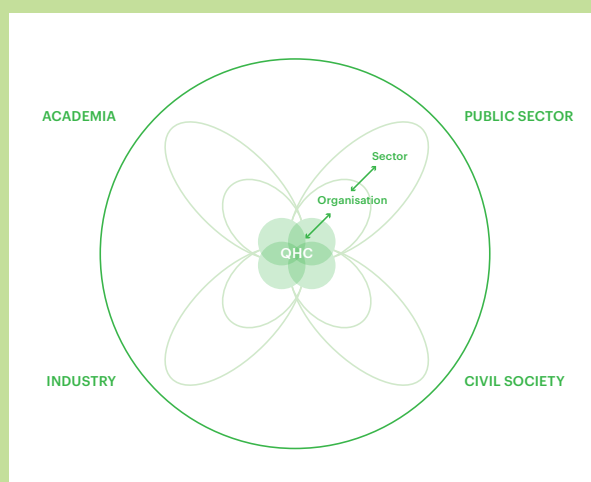
Facilitating United Approaches to Social Innovation In Europe (FUSE<sup>2</sup>) is one of the six consortia in Europe selected to set up National Competence Centres with the aim of cultivating networks, building capacities and synergies, spotlighting efficiencies, and developing tools and methods that will contribute to growing social innovation within and across countries, which should also be helpful to other EU countries. This work will also help ESF+ Managing Authorities in programming and implementing actions with ESF+ funds<sup>3</sup>. FUSE brings together national social innovation organisations in Ireland, (Genio and Rethink Ireland), Bulgaria (The Change Foundation, BCause Foundation, Cleantech, the Business Institute and the Bulgarian Center for Not-for-Profit Law), Cyprus (the SYNTHESIS Center for Research and Education and the Centre for Social Innovation) and Portugal (Cohesion & Development Agency (AD&C) and Portugal Social Innovation (PSI)).

The FUSE Project is a consortium with transnational cooperation and shared learning at its heart to establish National Competence Centres for Social Innovation (NCCSI).

Our main goal was to make the ESF+ more effective in supporting social innovation and addressing major social challenges in different countries.

We have spent two years gathering information from ESF+ stakeholders and social innovation experts to identify areas that need improvement in the social innovation ecosystem. The end goal was to establish sustainable NCCSIs that can respond to the needs of the community in each country.

The FUSE Project has been implemented with a very inclusive and participatory approach, bringing together key social innovation players across government, academia, industry (private sector) and civil society, to strengthen and enhance their capacity to act, encourage cross-sectoral experimentalism and new, collaborative ways of working.



2 <https://www.fuseproject.eu/>

3 <https://ec.europa.eu/european-social-fund-plus/en/competence-centres-social-innovation>

# Main Activities: (a) Transnational Cooperation

# Capacity Building & Transfer of Knowledge

## Introduction

The idea was to build an online common knowledge and resource repository of methods, tools and approaches, crowdsourced from social innovation experts, which would be made available to NCCSIs.

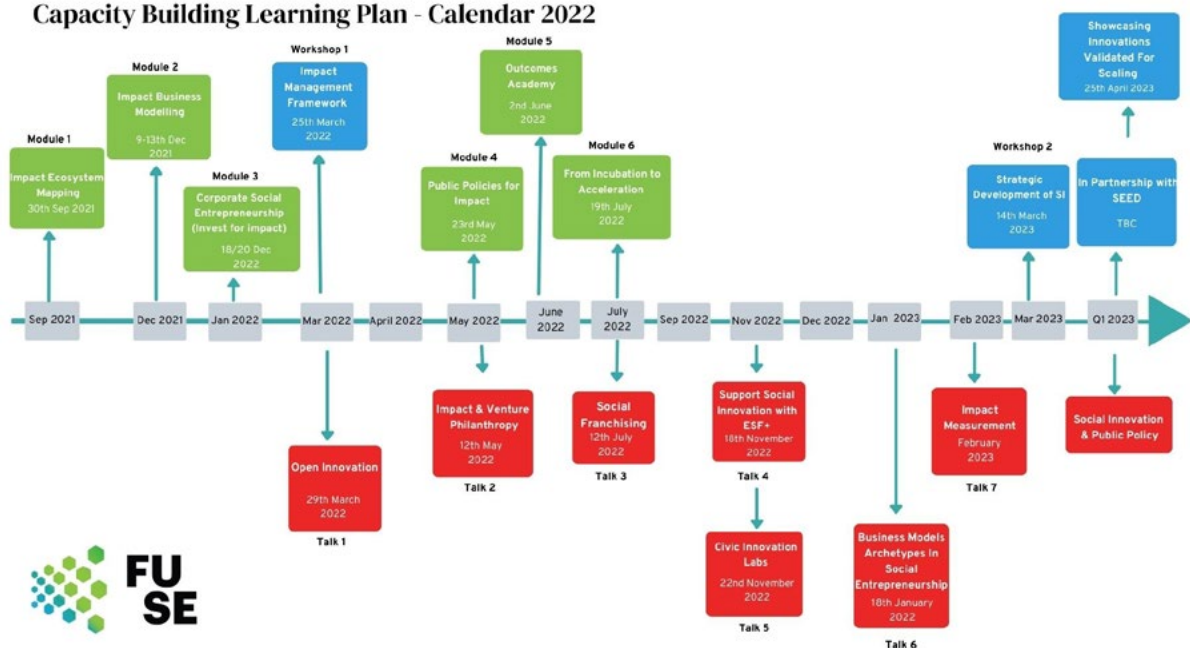
Apart from providing access to practical information, this repository aims to drive capacity building support activities for NCCSIs, and covers the entire spectrum of social innovation activities, from ideation and creation through to implementation, scaling and systemic adoption.

## Why we did it

Our aim was to provide continuous support to NCCSIs' learning objectives and the different stages of the individuals or organisations they support, as well as to achieve a high level of quality learning and collaboration through meaningful and informed activities. For that purpose, partners agreed to hold:

- 7 x online social innovator (SI) expert talks with mentors and associated partners
- 2 x online masterclasses delivered by partners
- 6 x online P2P (peer-to-peer) academy modules delivered by PSI & 4 x scaling clinics delivery by partners

Capacity Building Learning Plan - Calendar 2022



## How we did it:

### We achieved our objectives by organising the following events:

- Module 1: Impact Ecosystem Mapping – 30/9/2021
  - Module 2: Impact Business Modelling – 9–13/12/2021
  - Module 3: Corporate Social Entrepreneurship (Invest for Impact) – 1 & 20/12/2021
  - Module 4: Public Policies for Impact – 23/5/2021
  - Module 5: Outcomes Academy – 2/6/2022
  - Module 6: From Incubation to Acceleration – 19/5/2022
  - Workshop 1: Impact Management Framework (25/3/2022)
  - Workshop 2: Strategic Development of SI (14/03/2023)
  - Talk 1: Open Innovation (29/3/2022)
  - Talk 2: Impact & Venture Philanthropy (12/5/2022)
  - Talk 3: Social Franchising (12/7/2022)
  - Talk 4: Support to Social Innovation with ESF+ (18/11/2022)
  - Talk 5: Civic Innovation Labs (22/11/2022)
  - Talk 6: Business Model Archetypes in Social Entrepreneurship (18/1/2023)
  - Talk 7: Impact Measurement (16/2/2023)
  - Workshop 3: Social Innovation and Public Policy (14/03/2023)
  - Workshop 4: Showcasing Innovations Validated for Scaling (25/4/2023)
- Scaling Clinics:
- Business Model Patterns in Social Entrepreneurship (23/3/2023)
  - Sources of Finance for Scaling Up (29/3/2023)
  - Impact Measurement & Management (13/4/2023)
  - Scaling-Up Strategies (19/4/2023)





# Policy Articles

## Introduction

Policy articles have been developed throughout the project to influence key policy making and strategic economic programmes.

## Why we did it

We wanted to target authorities directly involved in policy making at national and European level, especially policymakers involved in the development or oversight of the implementation of policies in related areas to influence their decisions (e.g. to address the policy needs or barriers the project identifies).

## How we did it

To develop these policy newsletters, we actively engaged with the national-level public sector networks strengthened under Task 3.4.

### Five Policy Articles were developed during the project:

- Paid by Results: Using Innovative Financial Instruments in the Provision of Social Services
- Strategic Development of Social Innovation at National, Transnational, and EU Level
- The Need for National Competence Centres for Early-Stage Social Innovation Ecosystems in EU Member States
- What is a Social Innovation and Social Entrepreneurship initiative?
- Guiding Framework to assess the potential for impact of social innovation and social entrepreneurship initiatives



# Validation Tool for Social Innovation

## Introduction

In collaboration with FUSE partners, Genio developed a Validation Tool to help assess and validate the potential of social innovations to scale. It is hoped that this Tool will be helpful to those who are tasked with decisions regarding the potential of particular social innovations to be replicated, or scaled, to meet social and environmental challenges within and across countries.

## Why we did it

One of the deliverables under Work Package 2 – “Capacity building, knowledge transfer and peer learning/mentoring between the consortium’s Competence Centres” was a commitment by each partner to identify, assess, and validate a collection of high-potential social innovation initiatives or projects.

**To that end, the Validation Tool is divided into four sections:**

- **Section 1:** explains social innovation, offering some definitions, differentiating it from social enterprise and looking at the difference between scaling and systems change. It also discusses the importance and benefits of involving those for whom innovations are designed, i.e., the end beneficiaries or customers, in the process of scaling.
- **Section 2:** presents the journey towards scaling, identifying decision points along the way and three routes to scale.
- **Section 3:** offers eligibility and evaluation criteria that can be used to assess the potential of innovations to scale, explaining why each one is important and offering questions that can be asked to determine the extent to which an innovation is ready to scale.
- **Section 4:** sets out the scoring template that can be used to validate the potential of innovations for scaling. Users are invited to weigh criteria according to the particular context in which they operate or, indeed, add additional criteria of relevance to their situation.

The first appendix offers a sample “application form” for those wanting to submit innovations to be assessed for their potential to scale, which can be amended to suit particular contexts. The second identifies the elements that can be usefully included in planning for scaling.

## How we did it

The development of the Validation Tool was based on Genio’s experience of scaling evidence-based social innovations to address complex problems in Ireland, and in the wider European context. This work was informed by the FUSE Project. All partners worked together to agree on and adapt the core criteria related to profiles, typologies, main characteristics, and stages of development that qualify as high potential SIs with potential to up-scale or be replicated. All criteria are relevant to Sustainable Development Goals (SDG) and the European Pillar of Social Rights (EPSR), which are priority issues in each of the Member States. Throughout the development process, check-in sessions were held with consortium partners to obtain feedback and agreement. Each partner country piloted and tested the Validation Tool, with amendments made accordingly. The Validation Tool was then used to identify 11 high-potential social innovations from across the consortium.

# EVPA – FUSE Report

## Introduction

EVPA (European Venture Philanthropy Association) and FUSE, Rethink Ireland, AD&C and Portugal Social Innovation, collaborated to gather data and success stories from the social innovation ecosystem. As a result, EVPA puts forward its data and expertise to analyse the EU social innovation ecosystem and outlines four recommendations to assist ESF Managing Authorities, the European Competence Centre for Social Innovation, and European Commission authorities (and potentially the National Competence Centres for Social Innovation in each Member State) in creating efficient and stronger social innovation strategies at both national and European level.

## Why we did it

Social innovation has been high on the EU policy agenda since the publication of “Social Investment Package: Towards Social Investment for Growth and Cohesion” in 2013. The development of social innovation in Europe has been greatly supported by the EU budget. The ESF+ increased in size, compared to its former version, covering 27% of the Cohesion Policy budget in the current multiannual financial framework (MFF), with an amount of €101.2 billion for the period 2021-2027.

€100 billion of the fund is under shared management with the Member States. The ESF+ currently requires all Member States to allocate at least 25% of their ESF+ resources to promote social inclusion.

The paper highlights the successes and challenges that ESF Managing Authorities face in different EU Member States and aims to provide actors in the social innovation ecosystem, particularly the European Commission and the European Competence Centre for Social Innovation, with a broad overview of common problems ESF Managing Authorities face in implementing and establishing social innovation strategies.

## How we did it

In the **first stage**, EVPA, in partnership with FUSE, organised a three-hour workshop at EVPA Impact Week in December 2022 on the topic “Public Policy for Social Innovation: Lessons Learned and the Way Forward”. During this workshop, an EC representative, NCCSI, ESF Managing Authorities, and ESF implementing bodies from eight different EU Member States exchanged insights on past learnings and future steps forward, with two practical cases presented by the Portuguese ESF Managing Authority and the French ESF implementing body.

In the **second stage**, with the help of the European Competence Centre for Social Innovation and FUSE, we shared a survey with ESF Managing Authorities, intermediate bodies, and with the NCCSIs. The results of the survey helped us to identify the most common challenges, which we then categorised and divided into four objectives:

1. Define social innovation on a national level
2. Improve access to finance
3. Create an innovative and sustainable partnership
4. Incorporate impact measurement and management

# Main Activities: (b) National Level

As a consortium, each country partook in a research project that aimed to understand the social innovation ecosystem within their country. Here, each consortium member describes the findings of that research and how they set out to achieve their goals.

# Ireland – Rethink Ireland & Genio

## Introduction

A research study was commissioned by CoRá (the Irish dimension of the FUSE project) to map the support structures for social innovation in Ireland. The research was developed between September 2021 and February 2022 and comprised desk research on the state of social innovation in Ireland; a survey of 62 social innovation organisations; and interviews with 19 Irish social innovation experts from different sectors including public, (for-profit) business, academia, and civil society.

The research showed that social innovation and its ecosystem in Ireland presents some key features that are important to consider for the development of an Irish blueprint.

The Irish social innovation ecosystem is characterised by social innovations developed by a wide range of agents, including social enterprises or entrepreneurs, community and voluntary (C&V) organisations, social movements, public institutions, and small and medium enterprises (SME) which create social impact through specific characteristics (purpose-driven businesses/organisations). Social innovations can be found across the whole country within a wide range of fields such as eldercare services, agriculture, employment, children with special educational needs, community development, gender equality/empowerment, ethnic minorities, migrants, physical and mental wellbeing, rural development, and recycling. Irish social innovations were also found to be diverse in their stages of development, from initiatives in early start-up to those that have been scaled nationwide.

## Strengths & Weaknesses

Strengths	Weaknesses
Accessibility to key individuals and support structures	Inadequate and/or insufficient funding from government, bureaucracy and/or administrative burden
Human capital, with lots of social innovations at grassroots level	Silo approach (funding and policy)
Irish society is open and civically minded/responsible	Scarcity of mechanisms for impact investment and financial experimentation
Some structural support to social innovation in early stages	Limited supports for scaling
	Scarce data available to show the impact/contributions of social innovative organisations
	Little knowledge of complementary supports that different organisations provide
	Lack of long-term, strategic mechanisms

## Snapshot of the Blueprint

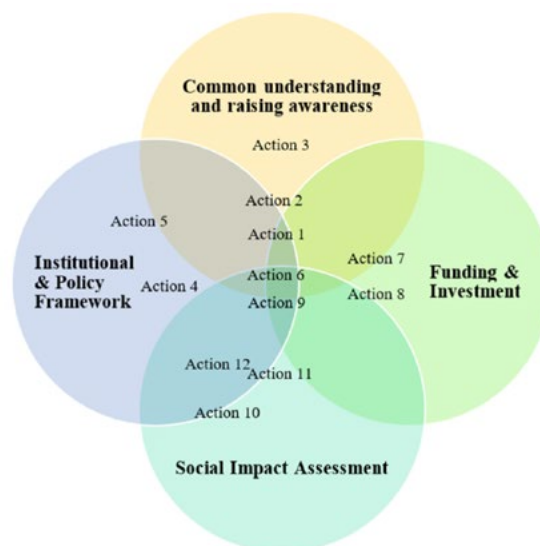
The development of the “Blueprint for Social Innovation in Ireland” took place in two stages. The first stage was the CoRá-commissioned research study to map support structures for social innovation in Ireland. The second stage consisted of a series of workshops with stakeholders and representatives from across the Irish social innovation ecosystem.

This blueprint was developed following a research evidence-based, bottom-up, multi-stakeholder, and iterative methodological approach. The blueprint establishes four strategic axes that stress the relevance of:

1. Building a common understanding and raising awareness of social innovation;
2. Developing institutional and policy frameworks;
3. Funding and investment;
4. Establishing social impact assessment indicators that show the contribution of social innovations in Ireland.

## Blueprint Content. Holistic: interrelated axis and actions

<b>Action 1</b> Establish an inclusive working definition of SI for Ireland
<b>Action 2</b> Raise awareness to different audiences
<b>Action 3</b> Specialised SI information platform and forum
<b>Action 4</b> Develop a NCCSI
<b>Action 5</b> Enhance Cross-Dep. Collaborations
<b>Action 6</b> Strategy/Policy Social Innovation
<b>Action 7</b> Develop tailor-made mechanisms to access funding and investment for SI at different stages
<b>Action 8</b> Steer public and private funding to support social innovation through different mechanisms
<b>Action 9</b> Establish multi-annual and flexible funding (budgets)
<b>Action 10</b> Gather data/evidence and enhance applied and collaborative research
<b>Action 11</b> Develop a national methodological framework for social impact assessment
<b>Action 12</b> Aligning social impact assessment with SDGs



## Challenges & Opportunities

**Blueprint ownership and implementation:** The blueprint puts forward proposals and recommendations aimed at supporting the growth of social innovation in Ireland for consideration by the government, as part of a national strategy and action plan for social innovation. This blueprint includes 12 actions intended to develop the Irish ecosystem. Key stakeholders will need to assume full ownership and responsibility to put this into motion.

**Establishment of a National Competence Centre for Social Innovation (NCCSI):** It is essential to have a central unit for implementing social innovation public policy. These units play a key role in capacity building, networking, and knowledge sharing at both national and European level. The development of an NCCSI would represent a significant milestone in enhancing the institutional framework of social innovation in Ireland.

**Building a common understanding and raising awareness:** As highlighted in the ecosystem mapping, there are various definitions and understandings of what social innovation (SI) is. Ensuring all stakeholders across all sectors have a common understanding, and use a common language, will further support the development of SI in Ireland.

## Conclusions

Ireland is not short of social innovations at grassroots level with some, albeit piecemeal in nature, support available. However, there is a need to further develop conducive and strategic frameworks that facilitate social innovations to flourish, consolidate and, ultimately, to scale. With the development of the actions proposed in the blueprint, Ireland can be a leading country for social innovation within Europe, with a coherent framework that recognises at institutional level, through a national policy and strategy, the importance of social innovation for society.

The NCCSI will be a catalyst for social innovation, bringing new thinking to social policy across government departments and regional and local government agencies. The actions of the blueprint would also enhance the capacity of Ireland to harness ESF+ (and other EU programmes) funding and boost the mobilisation of private and public funding for social innovation initiatives in a more structured and strategic manner.



# Portugal – AD&C and Portugal Social Innovation

## Introduction

The Cohesion and Development Agency I.P. (AD&C) is the Portuguese public entity with the mission of coordinating both the European Structural and Investment Funds (ESIF) and the Regional Development Policy for Portugal. AD&C is the Certification Authority for cohesion policy funds, as well as the paying authority, including for European Territorial Cooperation Programmes of the European Economic Area Financial Mechanism Community Initiatives. During the period 2021-2022, it was the Chair to the Community of Practice (CoP) on Social Innovation created within the ESF-Transnational Cooperation Platform (ESF-TCP), coordinated by the European Commission.

Portugal Social Innovation (PSI) is a pioneering government initiative, currently under the direct responsibility of the Ministry of Territorial Cohesion, created within the programming period 2014-2020 to promote social innovation and develop the social investment market in Portugal. PSI has already supported 694 projects, with funding up to €152 million (€101 million of public funding; €51 million of social investment) , engaging more than 477 entrepreneurial entities and 822 social investors at national level.

The ecosystem mapping exercise was commissioned to the University of Aveiro, which included a territorial characterisation, a diagnosis of the main social problems, the identification of four key dimensions of the ecosystem (Public Policies, Social Innovation Projects, Investment, and Territorial and Social Dynamics), and a list of recommendations. Beyond the mapping exercise, the objective was to influence the creation of Regional Observatories, one for each of the five territorial units within mainland Portugal, fostering local dynamics of observation and monitoring of the social innovation ecosystem to be continued by the Regional Development and Territorial Cohesion Agencies (CCDR) located in each of those five territories.

The University of Aveiro conducted the analysis by defining the characteristics of the ecosystem based on the profiles of stakeholders and types of outcomes; produced a mapping exercise to test monitoring indicators and run a pilot, systematising the findings as relational networks of the ecosystem by region. The result contains contributions that can be taken into consideration to enhance its functioning and inform decision-makers regarding the ecosystem, based on the initially established objectives, namely considering the regional and territorial perspective.

The methodology used required a series of meetings (in-person and online) with the different social and civic innovation agents, organised within the four pillars of the ecosystem and by region. Considering that the target audience was quite extensive, a criteria was established to prioritise **proportionality** and **diversity** of social issues and organisational typologies. Over 300 individuals and representatives from social entities, private sector and public institutions were consulted in a structured participatory process. Such a consultation process also presented an opportunity to increase the cooperation between Portugal Social Innovation and the regional Managing Authorities.



The key-conclusions led to an understanding that it is important to:

- continue involving the municipalities in projects that incorporate social experimentation;
- create new spaces for co-creation of ideas;
- Promote positive discrimination for territories and social economy entities;
- Assess the scaling potential of already implemented projects;
- Engage even more social investors in the causes they support beyond financing;
- Organise regular meetings of social entrepreneurs by region/social challenge/theme;
- Involve and hold civil society accountable for monitoring the functioning of such initiatives.

## Snapshot of the Blueprint

The Impact 2030 Agenda (API30) is the national strategy for social investment and innovation in Portugal up to 2030, and is the result of the work developed by the Advisory Board of the National Competence Centre for Social Innovation (NCCSI).

API30 embodies a strategy which is focused on fostering innovative responses to pressing social challenges and aligns with the Sustainable Development Goals (SDG). Social investment and innovation should be central to adaptation, mitigation, and resolution of social and environmental challenges in Portugal, creating a positive impact on the most vulnerable segments of our population.

The goals set out in API30 seek to solidify Portugal's pioneering position in social innovation by:

1. Strengthening and ensuring the continuity of existing initiatives (scaling the work done since 2014)
2. Experimenting with new initiatives; innovating and devoting resources in new areas

The rationale and structuring of the goals reflect the relevance of all players in the ecosystem in developing and promoting social investment. The goals outlined here have been divided into the following categories of ecosystem participant:

1. Market Enabler: Portugal Social Innovation Mission Unit (PSI) created in 2014 under the Portugal 2020 Partnership Agreement to coordinate the Portugal Inovação Social public initiative, which aims to stimulate social innovation and boost the social investment market.
2. Promoters of Social Innovation: The 71,000+ social economy organisations represent 3% of domestic gross value added (GVA), with an estimated annual funding requirement for social innovation in Portugal of €480 million.
3. Public Sector: Public administration cooperates with different organisations in the social and solidarity economy to strengthen the social support provided by signing cooperation agreements, with an annual budget of €1.8 billion.
4. Social Investors: This category is made up of private investors. Over 33% of the business sector is already supporting the social sector (albeit in a traditional philanthropic format) with an annual total of €185 million.

## Recommendations



### Objective 1 - Strengthening PSI as a benchmark entity for social innovation in Portugal

- 1.1. Strengthen and broaden PSI competences by creating an NCCSI
- 1.2. Promote partnerships that boost local and regional development by creating a meeting place for social innovation promoters and investors
- 1.3. Simplify the reimbursement request procedures through the widespread adoption of simplified cost methodologies and non-cost-based funding

### Objective 2 - Promoting social entrepreneurship

- 2.1. Encourage the creation of new impactful entrepreneurship projects
- 2.2. Strengthen capacity building among social innovation promoters

### Objective 3 - Launching regulatory initiatives that promote the growth of social innovation in Portugal

- 3.1. Extend tax incentives to promote social investment
- 3.2. Outline and implement the most suitable approach for social enterprises in Portugal
- 3.3. Enable the use of unclaimed assets, channelling them into social investment

### Objective 4 - Raising capital for outcome-based contracting and funding

- 4.1. Activate and update the One Value platform (a free and user-friendly knowledge centre (<https://onevalue.gov.pt>) that aggregates information about public investment in several social issue areas that are a priority in Portugal)
- 4.2. Train and empower public entities on the subject of outcome-based contracting
- 4.3. Ensure the continuity of new and successful social innovation projects from public sector entities
- 4.4. Create a panel of public administration representatives within PSI to share information and promote greater adoption of social innovation practices

### Objective 5 - Mobilising social investors and increasing the amount invested in social innovation in Portugal

- 5.1. Create new financial instruments suited to the needs of social innovation promoters at different stages of development and adjusted to the risk profile of investors
- 5.2. Strengthen outreach efforts to increase the number of social investors

## Overview of Challenges and Opportunities;

Challenges	Opportunities
PSI limited mandate and competences in the areas of ecosystem capacity building and knowledge production	Strengthen and broaden PSI competences by creating an NCCSI structure
Low representation of social innovation within traditional social economy entities	Encourage the creation of new social entrepreneurship projects
Most social innovation promoters have unmet capacity building needs	Strengthen capacity building among social innovation promoters
Difficulty in raising private capital for social investment	Extend tax incentives to promote social investment
Inadequacy of legal structures	Outline and implement the most suitable approaches for social enterprises in Portugal
Small size of public financial resources that could be catalysts for the social investment ecosystem	Enable the use of unclaimed assets, channelling them into social investment
Limited access to current data on public investment in social responses	Activate and update the One Value* platform
Scarcity of mechanisms to ensure the continuity and sustainability of successfully tested social innovations	Ensure the continuity of new and successful social innovation projects by other public sector entities
Inadequacy of existing financing instruments to the different risk profiles of investors and the different funding needs of the social innovation promoters	Create new financial instruments appropriate to the needs of social innovation promoters in different stages of development and adjust the risk profile of investors
Lack of knowledge of instruments and options for social investment available to potential investors	Strengthen dissemination efforts to increase the number of social investors

\* One Value is a free and user-friendly knowledge centre (<https://onevalue.gov.pt>) that aggregates information about public investment in several social issue areas that are a priority in Portugal. These issue areas include Social Protection, Education, Health, Employment and Justice. Public investment refers to investment by the Portuguese Government.

## Conclusions:

API30 presents 14 concrete recommendations to be implemented by the main players in the social investment ecosystem in Portugal by 2030.

These recommendations are measurable and each one is assigned a suggested implementation deadline, as well as the suggestion of the entities best equipped for their implementation.

Combined, the API30 recommendations have the potential to raise approximately €500 million for social innovation and social investment in Portugal, equating to a tripling in size of the current fund.

Of the 14 recommendations, seven are improvements on existing initiatives to increase their scale and scope. The remaining seven are completely new initiatives. The recommendations proposed in API30 have the potential to contribute to the development of a stronger social innovation and social investment ecosystem in Portugal that:

1. Makes available €150 million for investment in the area of social innovation, including the establishment of an NCCSI, increasing the adoption and use of the instruments promoted by PSI through further simplification of processes;
2. Mobilises at least 750 social innovation promoters in Portugal;
3. Strengthens capacity building among social innovation promoters with a focus on digital transition, impact measurement, and attracting social investment;
4. Implements a solution for social enterprises;
5. Raises financial resources from unclaimed assets to be made available for social innovation and social investment;
6. Raises an additional €150 million for outcome-based contracting and financing, in addition to the annual amounts made available from cooperation agreements;
7. Ensures the participation of at least 1,700 social investors in the national ecosystem;
8. Raises at least €200 million in investment from the private sector.

This raising of capital will only be possible if in conjunction with regulatory initiatives, ecosystem capacity building, and information dissemination, as outlined in the other recommendations presented in API30.

Up until 2030, Portugal should capitalise on all of the work already done in the last seven years, while innovating and experimenting with financial and non-financial instruments to promote social innovation. Due to its size, openness to innovation, and concerted action between public, private and social players, Portugal is uniquely placed to put social innovation and social investment central to the resolution of social problems and meeting the needs of people impacted by them, improving the quality of life of the population being served, and serving as an inspiration to other countries looking to replicate similar approaches.

# Bulgaria – The Change Foundation, BCause Foundation, Cleantech, the Business Institute and Bulgarian Center for Not-for-Profit Law

## Introduction

Mapping of the Bulgarian ecosystem of social innovations was conducted between October 2021 and March 2022, engaging stakeholder representatives from social enterprises and social innovators, public authorities, financing organisations, and support organisations. The research was a four-stage process:

1. Desk research: Collecting data and analysing available information
2. Focus groups: Validating our findings
3. Interviews: With experts from various fields within the ecosystem
4. Questionnaire: Distributed among partner networks, comprising social enterprises and start-ups at European and country level

Based on findings from the mapping study, it was concluded that the social innovation landscape in Bulgaria is fragmented, consisting of multiple players that initiate and execute various activities. To further support social innovation and raise awareness in society, these actions should be united, complemented, and focus on a common goal.



### Strengths:

- The public sector is the most active player in social innovation and social enterprises with multiple roles: education, incubation, accelerator, and mentoring programmes
- NGOs are among the pioneers paving the way in developing social innovations and social enterprises
- Emerging infrastructure with both national and regional ecosystem support
- The corporate sector recognises social innovation as part of corporate social responsibility, however no specific focus is put on investing in social innovations and social enterprises
- Non-formal education is provided by NGOs in the form of projects or guest training courses at secondary and higher education
- Growing general public awareness due to awards and media coverage

### Weaknesses:

- Existing legal framework is not up to speed with the development and needs of the social innovation ecosystem
- Shortage of sufficient funding opportunities and mechanisms
- Lack of systematic approach to supporting various stages of social innovation – from seed funding, to start-up, to scale-up, to internationalisation
- No common understanding of social innovation within the ecosystem
- Limited structured communications among stakeholders
- Insufficient, scattered data regarding the social innovation ecosystem



## Snapshot of the Blueprint

The blueprint was developed in a series of co-creation sessions involving ecosystem representatives from social enterprises and social innovators, public authorities, financing organisations and support organisations. Within the document we have described the long-term vision of services that the centre aims to offer once it is fully operational. Our initial focus has been the primary functions and basic operations of the centre, outlined on the following axes.

The governance model for our NCCSI is envisaged as a public-private partnership with the participation of all interested stakeholders in the local ecosystem. The management model will be structured based on the membership make-up and expertise, task at hand, end goal, or knowledge.

## Challenges & Opportunities:

Among the most pressing challenges is the fragmented ecosystem of social innovation, particularly in terms of stakeholder representation and geographical coverage. There is a heavy imbalance in favour of Sofia, as the capital city, versus the rest of the country. There is also the lack of awareness and common understanding of social innovation within the ecosystem, which leads to different definitions and interpretations.

The opportunities for the social innovation ecosystem in Bulgaria are endless, although exploring and exploiting them all will require the involvement of each and every stakeholder. Amongst these is the exchanging of expertise, information, and opportunities between players in the ecosystem, both on a national and international level. Establishing the NCCSI will provide a platform for stakeholders within the ecosystem to interact, exchange ideas, develop and support social innovations, and more.

## Conclusions

Social innovation is seen as one of the ways to tackle systemic change, develop new solutions, and foster cross-sectoral collaboration, complementing other types of innovation.

But with the social innovation ecosystem in Bulgaria so fragmented, all of the players within it highlight the need for an NCCSI to build a common understanding and raise awareness of social innovation. The exchange of knowhow and expertise this will provide will help develop an institutional policy framework.

The state has already declared its political will to support the development of the SI ecosystem. Therefore, the effort to recruit and involve all stakeholders in the establishment of an NCCSI should continue.

# Cyprus – the SYNTHESIS Centre for Research & Education and the Centre for Social Innovation

## Introduction

The social innovation ecosystem in Cyprus is at an early stage of development. This is reflected in the mapping research that SYNTHESIS and the Centre for Social Innovation (CSI) conducted for the framework of the project. For the compilation of the mapping report, SYNTHESIS in collaboration with CSI conducted qualitative and quantitative analyses through round tables and a national survey, with the aim to better understand stakeholder perspectives on the social innovation ecosystem in Cyprus.

A repository of social innovations was created for the purpose of mapping each area in the country. At the conclusion of the process, the Country Report was disseminated via the Cypriot partners' channels. Based on the findings of the mapping report, the following conclusions can be drawn:

1. The new law passed on Social Enterprises (2020) will help to strengthen the social innovation ecosystem in Cyprus.
2. There is a lack of awareness among Cypriots as to what social innovation, social entrepreneurship, and social enterprises are, and how they can contribute to social justice, social inclusion, and social prosperity.
3. Most organisations identified as social innovations in Cyprus are in the non-for-profit sector, closely followed by the public sector. Organisations in the civil society sector span various specialities and focuses.

## Strengths & Weaknesses from the implementation of the project in Cyprus:

### Strengths:

- Initiation of a network of key actors (first steps)
- Enabled us to identify key social innovation in Cyprus
- Helped to begin the process of bringing together all key stakeholders in the ecosystem, but there is a need to sustain this collaboration

### Weaknesses:

- More time is needed to raise awareness and promote consortia working with ecosystem stakeholders
- Still at an early stage of the development of the ecosystem
- Too many events to carry out within the scope of the project that do not mirror the population of the island
- Lack of funding for social innovations



## Snapshot of the Blueprint

**The blueprint has been prepared following:**

- Consultation with various stakeholders (local authorities, academics, governmental bodies, NGOs);
- The mapping of social entrepreneurship in Cyprus;
- Feedback from the workshops and activities that took place within the project;
- The exchange of good practices between the consortium countries and beyond.

**Throughout the blueprint report we aim to:**

- Communicate our vision for social innovation and social entrepreneurship;
- Create a roadmap charting the path towards the promotion of the social innovation ecosystem in Cyprus;
- Strengthen and empower the social entrepreneurship ecosystem;
- Document the position of the NCCSI within the ecosystem;
- Document the vision, objectives, and ways of supporting the NCCSI.

**The document is divided into three areas of intervention:**

1. Creating a Positive Entrepreneurial Environment
2. Cultivating a Social Entrepreneurship Culture
3. Facilitating Access to Financial Resources

## Challenges & Opportunities

Challenges from the implementation of the project in Cyprus:

- Local authorities in Cyprus were undergoing a major restructure at the time and did not engage as expected.
- COVID-19 affected implementation and impacted state priorities.
- There were too many events to cover for a small island (Cyprus).
- There is a lack of awareness around social innovation.
- Confusion persists between social innovation and social enterprise among stakeholders.
- There was low attendance of ecosystem stakeholders at capacity building sessions.

Opportunities from the implementation of the project in Cyprus:

- Through the events, we had the chance to hear first-hand of the challenges being encountered, the emerging areas of interest, and more.
- By interacting with other consortium countries, we got to learn good practices and exchange great ideas.

## Conclusions:

The social innovation ecosystem in Cyprus is steadily developing, however it is much further behind in the process than other European countries. The positive is that the passing of the social entrepreneurship law indicates the Cypriot government's commitment to the sustainable development of a social entrepreneurship and innovation system.

In the meantime, the wide range of organisations involved in social entrepreneurship and social innovation indicates that work is being done regardless of the presence, or lack thereof, of official governmental policies and systems.

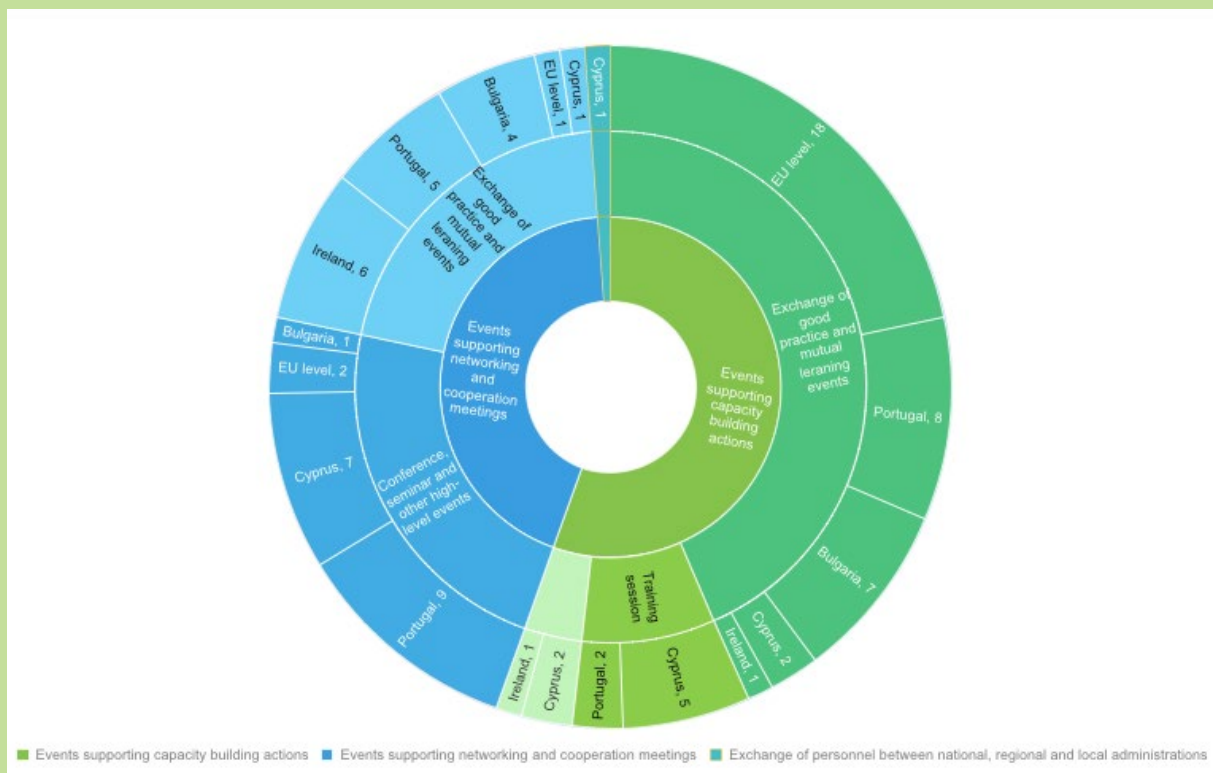
For a thriving social innovation ecosystem in Cyprus, investment is needed to improve the infrastructure and facilitate access to financing opportunities. Orchestrated efforts from the public and private sector will help to nurture a social innovation culture all over the island and raise awareness among the people.



# Facts & Figures: Engaging with the Ecosystem

Throughout the project, the FUSE consortium organised multiple events dedicated to sharing project insights and engaging the social innovation ecosystem representatives at a national and European level. The main target groups reached through this action included social innovators, national, regional, and local authorities, higher education institutions and research institutes, experts in impact evaluation and assessment, and social innovation promoters, including support organisations and funding providers.

The consortium reached these target groups through a total of 83 events, gathering over 1,100 individuals.



# Breakdown of number of events organised by objectives, format, and geographical scope

The objective of these events was to:

- Support networking and cooperation meetings or
- Provide an opportunity for social innovation ecosystem actors to further develop their capacity by increasing their awareness, knowledge, and skills in critical areas for the development of the sector

Some examples of the topics covered included:

- Scaling Social Innovations in Europe
- Business Model Archetypes in the Sector
- Social Franchising
- Impact Measurement & Management
- Opportunities to Support Social Innovation in the ESF+ Framework

While the event format varied between conferences and other high-level events, mutual learning sessions, dedicated webinars, and training sessions all provided an opportunity for audience engagement. These ranged from Q&A sessions to direct involvement in co-creation processes that could provide a direction for the development of the ecosystems for social innovation.



# Learnings and ways of moving forward

Social innovation represents a complementary form of other types of innovation such as technological or public innovation. However, social innovation presents specific features related to its collective and collaborative character, cross-sectoral nature, and its aim for systemic change.

The complexity and multidimensionality of challenges that Europe is currently facing such as the digital and green transition, ageing population, and unbalanced regional development point to the need for new ways of thinking, collaborating, and acting.

In this context, social innovation is seen as one way of addressing complex challenges, supporting systemic transformation, and enhancing cross-sectoral collaboration to develop new solutions that foster more socially inclusive and environmentally sustainable development.

In the last two years, the FUSE project has played a key role in supporting the further development of the social innovation sector in Bulgaria, Cyprus, Ireland, and Portugal, mobilising and bringing together key social innovation actors across sectors to work toward a common mission.

## **There were some key learnings across the consortium, which include:**

1. There is a need to raise awareness and create a common (national) framework for social innovation.
2. This project has mobilised and boosted the social innovation ecosystem in each Member State, but there is the need to provide continuity to the actions initiated.
3. To create a functional European social innovation ecosystem, it is important to acknowledge the diversity of methods and approaches developed across the EU.
4. The transnational cooperation and the exchange of learnings both across and within the FUSE consortium, and also with the other five European consortia, has been a game changer.

Social innovation is gaining traction at European and national level. Nevertheless, it is crucial that the European Commission and national governments keep supporting the development of an environment where social innovations can flourish and scale to contribute to a more sustainable and equal society.



# Appendices:

Paid by Results: Using innovative financial instruments in the provision of social services

Strategic Development of Social Innovation at National, Transnational, and EU Level

The need for National Competence Centres for early-stage social innovation ecosystems in EU Member States

Validating Social Innovations for Scaling

What is a Social Innovation and Social Entrepreneurship initiative

Guiding Framework to assess the potential for impact of social innovation and social entrepreneurship initiatives

Towards a European Ecosystem for social innovation



**FUSE**

**RETHINK IRELAND** Our Social Innovation Fund



**BULGARIAN CENTER FOR NOT-FOR-PROFIT LAW**



Center for Social Innovation

Portugal **INOVAÇÃO SOCIAL**



**CLEANTECH BULGARIA**



**Reach for Change**



**THE BUSINESS INSTITUTE**



**AD&C**

Cohesion and Development Agency, P.I.



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