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memo

Social Innovation and INTERREG NWE / SO1, ToA3

Input for discussion MC 4 INTERREG NWE
Decisions in MC 4 on what our SO1/ToA3 should be about

Introduction
Since the approval of the CP for our INTERREG NWE programme, lots of initiatives have passed the desks of the NCP's of our programme. Since no clear understanding has been reached on the meaning of our 3rd sub-objective of SO1: social innovation, it is hard to give project promotors any advice on whether their project ideas fit our programme or what outputs and results are acceptable and sought for to fulfill our programme's needs. As a result good project ideas are lost to our programme and several initiatives have been rejected.

With this memo, the NCP's of the INTERREG NWE programme ask the MC to reach a clear understanding on what kind of subjects could fit this subobjective. The outcome of the discussion should therefore be a direction more elaborated than the text in the current CP, supported by a list of possible project-themes, preferably with possible outputs and results contributing to our programme output indicators, in order to guide NCP's in their advisory capacity for the programme.

Social innovation in our territories.
Since the crisis hit hard on NWE, many organizations and interest groups were forced or got extra motivated to find ways of "doing things differently" in order to keep quality of life at an acceptable level for many people in our society. With budgets for traditional governmental tasks diminishing, the urge to find new ways of living together increased even further. This is not only true for the ones at risk of "social exclusion" but is true for most of us. Moreover, new ways of organizing basic facilities also give new benefits: more people included, less costs for governmental organizations (due to decrease of capacity needed and/or budget), less "one size fits all" and more participation of other organizations in our society which long to take more responsibility for the wellbeing of people living in their territories.

There is not one golden standard definition of social innovation, but the EU uses[1]: "the development and implementation of new ideas (products, services or methods) for major social challenges which create new social integration or new partnerships."
The Flemish Social Innovation Factory gives the definition: "an innovative solution to a major social challenge, resulting in a product, service or organizational model and / or method".
In the Netherlands the government, in reaction to an AWTI[2]-advice, instructed the Managing Authorities to formally change the intervention logic of our national innovation policy in order to give social innovation the same position as technical innovation.

In our CP the following text is incorporated (page 8, challenge 6 to be addressed, summarized):
The economic crisis and the accompanying austerity measures have had a negative impact on economic and social inclusion for communities under pressure. As a consequence, the NWE area faces the challenge to ensure the protection and integration of populations at risk of exclusion.
To tackle this challenge, we need to:

- *Address the issue of demographic change;*
- *Address health issues related to air and water pollution (particularly within fragile social groups);*
- *Avoid the deepening of existing social gaps in the future, fighting poverty and social exclusion, mainly in urban areas;*
- *Reduce unemployment (youth, long-term, elderly) and strengthen lifelong learning;*
- *Facilitate labour force mobility and integrated labour markets.*

This is worked out in possible actions in ToA 3 (page 23/24 of the CP).

So where the EU definition seems to include a wider range of innovative actions, (as long as they contribute to societal challenges and result in new social ideas made happen by new partnerships), our CP seems to limit possible contributions or projects to those targeted at populations at risk of exclusion in one way or the other:
"Actions specifically target excluded population or population at risk for exclusion and communities under pressure. Actions aim at supporting development, testing and implementation of innovative solutions for social needs and problems ('social innovation')" (ToA3, page 23 of the CP).

The next picture[3] clarifies social exclusion, and the factors that cause – and can solve! – social exclusion:

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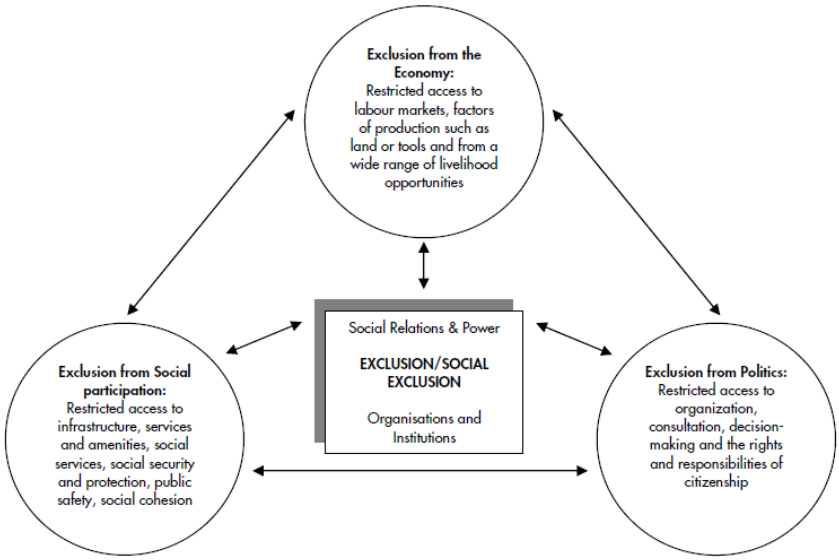
[1] European Commission (2013). Guide to Social Innovation. Brussels.

[2] The Advisory council for science, technology and innovation (AWTI) advises the Dutch government and parliament on policy in the areas of scientific research, technological development and innovation. http://english.awti.nl/

[3] Source: DFID (2005) Social Exclusion review. This report was prepared by Jo Beall of the Development Studies Institute (DESTIN) at the London School of Economics (LSE) and Laure-Hélène Piron at the Overseas Development Institute (ODI) in 2004.



While many factors can help solving social exclusion, and thus contribute to social innovation, it seems that in our discussions so far, the indicators related to jobs or numbers of SMEs involved, are rated higher than e.g. the number of end-users benefitting from social innovation, or the number of pilot actions implemented focusing on social innovation. The latter ones are also programme output indicators.

If we strictly limit ourselves to not only tangible but also economically viable results, are we then – by the way we interpret our own definition in the CP – limiting the possible project ranges, and are we ignoring an important area of interesting and suitable projects?

Part of the answer can maybe be found in the interpretation of the result and output indicators.
➔ Do projects in ToA 3 always have to contribute to the proposed result indicator for SO1 ("degree of SME involvement in collaboration with other institutions (incl. R&D)"?
➔ The corresponding output-indicators do not always mention SMEs:

1. Number of new or enhanced transnational clusters or innovation networks (target value = 27);
2. Number of end-users benefitting from social innovation (target = 600);
3. Number of enterprises receiving support – including social enterprises (target value = 540);
4. Number of enterprises co-operating with research institutions – including social enterprises (target value = 540)

We ask the MC to discuss the desirability of the apparent limitation and to give clear guidance to the NCPs on how to advise on projectideas on social innovation. When do they fit our programme objective, what are possible subthemes, what their proposed outputs, results and the envisaged and valued contribution to indicators, using the examples of social innovation in our territories.

For your reference and to help you prepare for the discussion, we include several annexes to this memo:

- *A separate overview of examples of projects or project ideas from several member states within our programme area (drawn up with the help of the other NCP's);*
- *An overview of what participants of a workshop in the Two Seas Programme on Social Innovation saw as the most important characteristics of and limitations for social innovation, at the start of the meeting;*
- *An overview of what the experts in that workshop see as main characteristics for social innovation.*

What do participants see as main characteristics and limitations for social innovation? (Source: Workshop Two Seas Programme 18 April 2016)

Characteristics mostly quoted by participants:

- New unusual forms of cooperation / quadruple helix/cross sector cooperation
- Bottom up / co creation / early involvement of end users
- Need / demand driven
- Innovative (means or ends)
- Structural / systemic change/impact
- Social need not yet satisfied

Difficulties mostly quoted by participants:

- Identify what is innovative
- Social innovation is so broad, might be good to further elaborate what we exactly want (e.g. through specific Terms of reference)
- Low quality of CN/AF submitted/very vague CN/AF/projects are not ambitious enoughBorder between social inclusion VS social innovation?
- Social VS societal issues
- Lack of multisectoral / unconventional partnership/not the right partners to have real impact
- Cross border cooperation insufficiently clear
- Impact (what will the project have solved/changed in the end) not always clear
- Demand driven not always clear or possible/lack of market orientation
- Different ways of looking/evaluating social innovation/different priorities in different MS
- Social innovation must be tailored to local circumstances so inherently differences between MS. Especially if projects do not yet do the roll-out, impact of project is postponed and the projects necessarily limits itself to local elements which could be best practices

What do experts see as main characteristics for social innovation?
(Source: Workshop Two Seas Programme 18 April 2016)

Overall, experts underline that social innovation has to:

- Address societal challenges
- Have a theory of change
- Should be scalable and replicable (therefore the need to measure impact)
- Create new relationships

- Solve the missing link
- Be a strategy to get to e.g. social inclusion
- Be innovative both in ends and means
- To look into society, talking to people and try to indentify cracks.
- Does not have to come directly from targeted people, but the latter need to be involved upfront.
- Should sustain in time in one way or another
- Evaluation of effectiveness is crucial to know whether it is worthwhile to scale up

The personal view of experts is that for Interreg the niche on social innovation could be regarding collective impact platforms (e.g. business and poverty platform). Social innovation can be a mean to reach social inclusion.

Following this session, experts propose to participants to use an evaluation grid based on these Social innovation characteristics:

1/ Social need driven
➔ There needs to be enough evidence in the CN that project partners understands social needs
➔ Social needs have to be aligned with CP and existing policies

2/ Innovative
➔ It needs to address an unmet need
➔ Innovative in its processes and/or products/services
➔ Demonstrate awareness of existing practices
➔ Project should have impact/influence

3/ Long-term vision
➔ What kind of society does the project want to realise?
➔ Logical and detailed logic of intervention
➔ Theory of change, and it also needs to be clear how the project will contribute to this change
➔ We should think whether our intervention logic offers enough possibility to show this long-term vision

4/ Impact: measurable and sustainable
➔ How will they measure the change
➔ How will the project be sustained beyond the Interreg support
➔ It is very difficult for a partner to capture their impact in numbers beforehand. They often don't have a baseline.
Some participants underlined that as a programme, we need to decide whether we want to fund experiments or not. If we want to fund experiments, than we need to accept that impact numbers cannot always be given.
Experts agreed that number are not always necessary, but there always need to be minimum a methodology foreseen for impact measurement. It will not always be perfect, but there is always a way to do it.

5/ Multi-disciplinary approach
➔ Diverse partnership with relevant complementary expertise

6/ Participative – empowering
➔ Describe whose input will be needed and how?
➔ Development of capabilities across the regions