



**SOCIAL
INNOVATION
FOR
REFUGEE
INCLUSION**

16-17 NOVEMBER 2017
CONFERENCE WORKSHOP
New approaches to financing social innovation
SPEAKER POWERPOINTS



Social Innovation for Refugee inclusion:

the examples of the European Social Innovation Competition and the Social Challenges Platform

Carolina Gario

DG GROW, European Commission

Why social innovation?



Challenges

Inclusivity and co-creation

Business creation, jobs and
growth

→

→

+

Solutions

Better solutions, no wasted
potential

Social and environmental value



European
Commission



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- *raising awareness*
- *business incubation and coaching*
- *seed money*
- *visibility, recognition of excellence*

Judging criteria

- *degree of **innovation**, including both disruptive and incremental innovations, also in comparison with solutions already developed and implemented;*
- ***impact** assessed as the potential of the proposed idea to make a change*
- ***sustainability and scale** assessed as the potential of the proposed idea to be transferred to another area in Europe or scaled up at a national and/or European level.*



INTEGRATED FUTURES

European Social Innovation
Competition 2016



European
Commission



CUCULA, Germany
Education & Skills Development



Project Virtuuous Triangle, Turkey
Education & Skills Development



European
Commission



The Machine to be Another, Spain
Community Cohesion and Cultural Diversity

Impact prize 2017 – The Bike Project, UK





Social Challenges Innovation Platform



<https://www.youtube.com/watch?v=iJPHf66eA58>

- *1 platform*
- *turning challenges into solutions*
- *online ecosystem encouraging the interaction between social innovators and SMEs*
- *challenges supported and sponsored by an EU grant mechanism scheme*
- *30 challenges currently open*
- *max 3 solution providers per challenge*
- *self-sustainable in the long-term*

An example of an open challenge: Connect Migrants to the Business Community



"We are looking for new tools :

- through which the targeted beneficiaries can learn languages;*
- for mobility from suburbs to the city center;*
- to prove the educational and work experience of migrants;*
- to create new and nurture established relationship.*

We are looking for ambitious solutions than can be simple to implement"

INNOVATIVE FINANCING & REFUGEE INTEGRATION – SOCIAL IMPACT BONDS

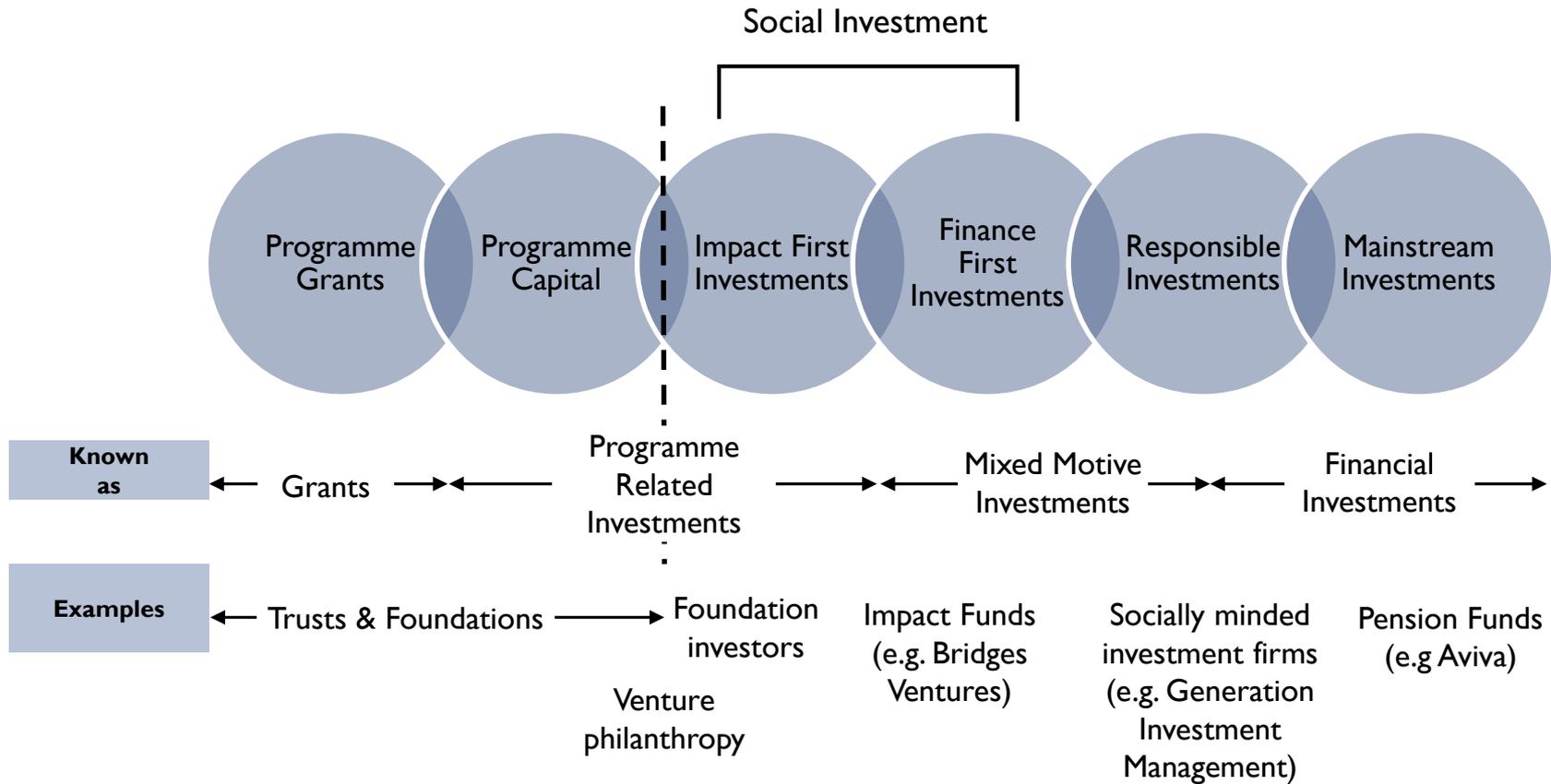
NOVEMBER 2017

Chris Clements, Director
chris.clements@socialfinance.org.uk

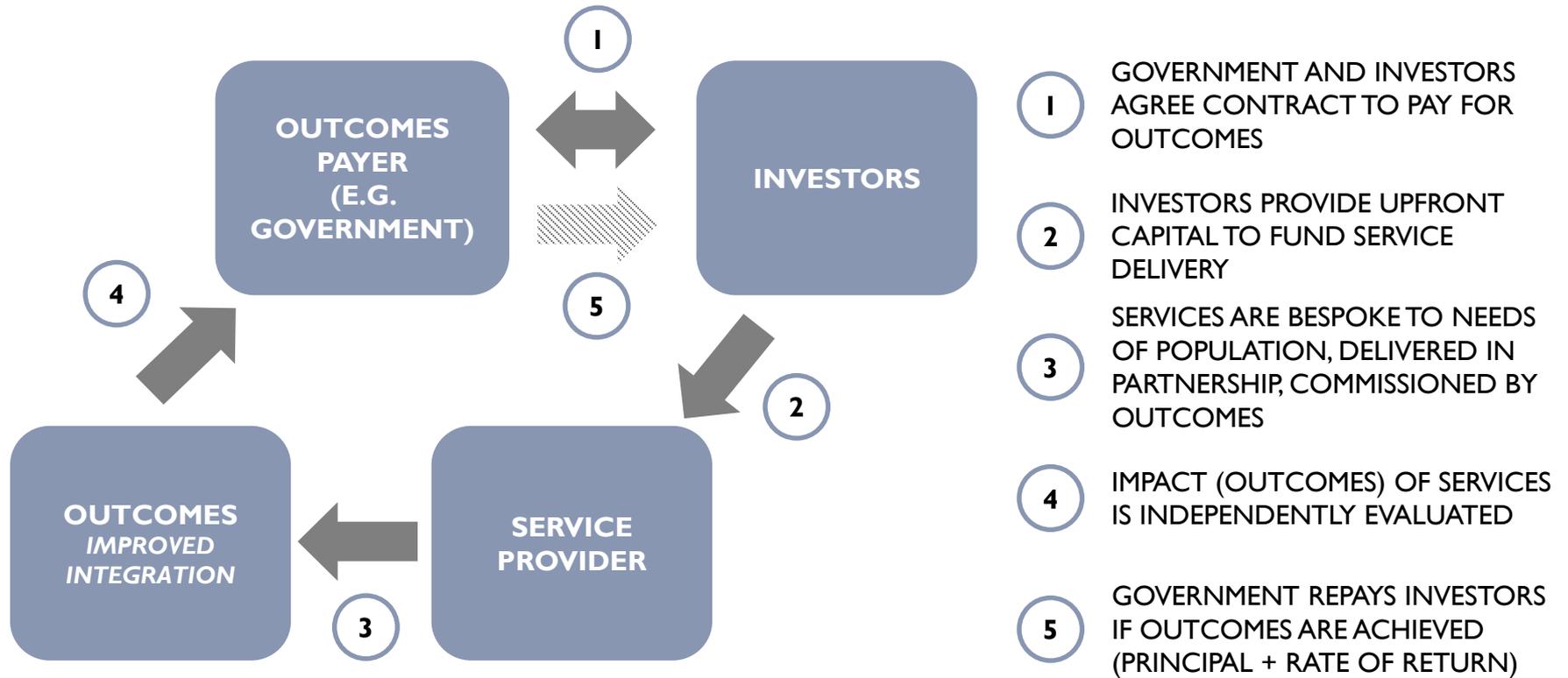


WHAT IS SOCIAL INVESTMENT?

Investment where, at the time of the investment decision, the social purpose of the enterprise is a principal motive for the investment



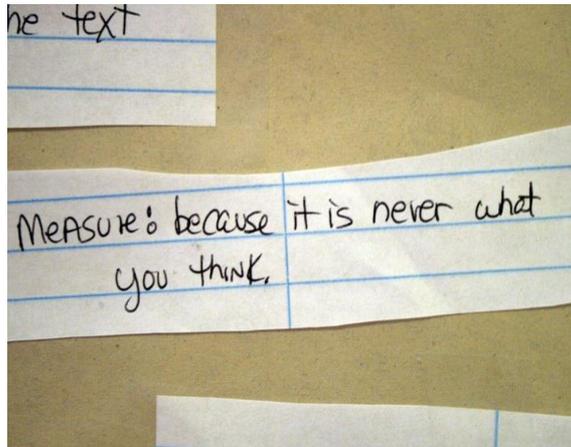
INTRODUCING A SOCIAL IMPACT BOND (SIB)



A SIB ENABLES THOSE WHO BENEFIT FROM OUTCOMES TO PAY FOR THEM ON A SUCCESS BASIS AND BREAKS THE CYCLE OF UNDER INVESTMENT IN EARLY INTERVENTION



FLEXIBILITY



RIGOUR



PARTNERSHIP



CLIENT-CENTRED



EARLY INTERVENTION



INNOVATION

The programme



Create duos with young migrants and mature professionals

- Managed by Duo For A Job
- Meeting 1/week during 6 months
- Win-win
- Outcome payer Actiris, financed and managed by Kois Invest
- €234,000 for two years



Beneficiaries

- 18-30 years old
- Bruxelles region
- Arrived in Belgium less than 5 years ago
- 60% have refugee or subsidiary status
- 70 duos in 2014, 110 in 2015, 130 in 2016



Measure of success

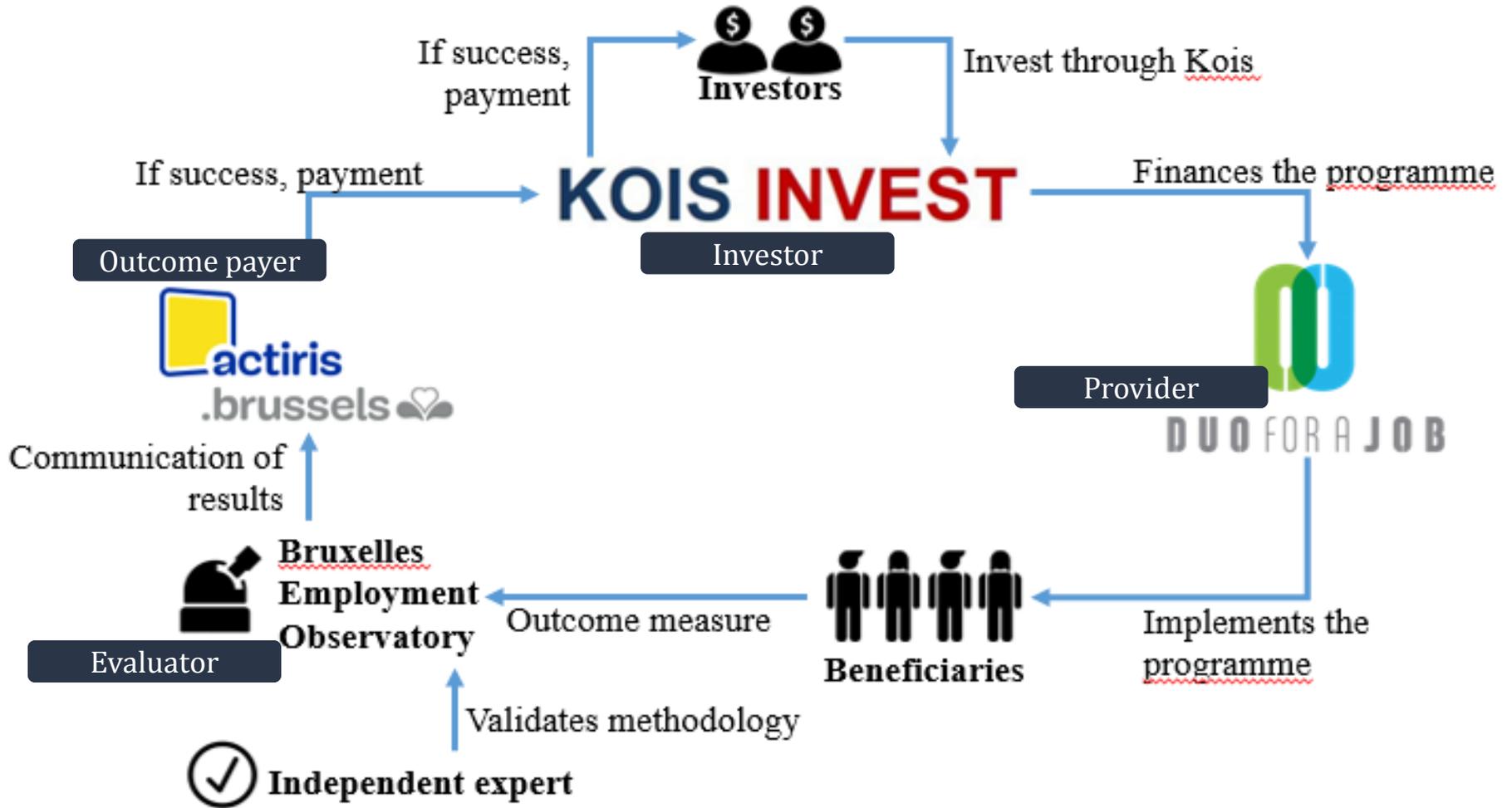
Unique indicator: positive 10% difference in the rate of employment of mentees compared to a control group

Beneficiaries qualify if 90+days worked during the 12 months following mentoring



Target 35% of the cohort to find employment **over 2 years**

DUO FOR A JOB - SIB STRUCTURE



The programme



Manages training (educational providers) and work placement (firms)

- 3 modules over 2 – 4 months
- Outcome payer Ministry of Employment and Economy, financed and managed by Epikus, advised by Sitra
- €3.4m (2016), + € 10m (April 2017). Sept 2016 – Dec 2019



Beneficiaries

3,700 job seekers randomly selected

- Resident permit 2015-2019
- Can read and write
- 80% are young men from Iraq
- 140 in Sept 2016 (capital area). Next: car factory (Western Finland), academic track over the summer

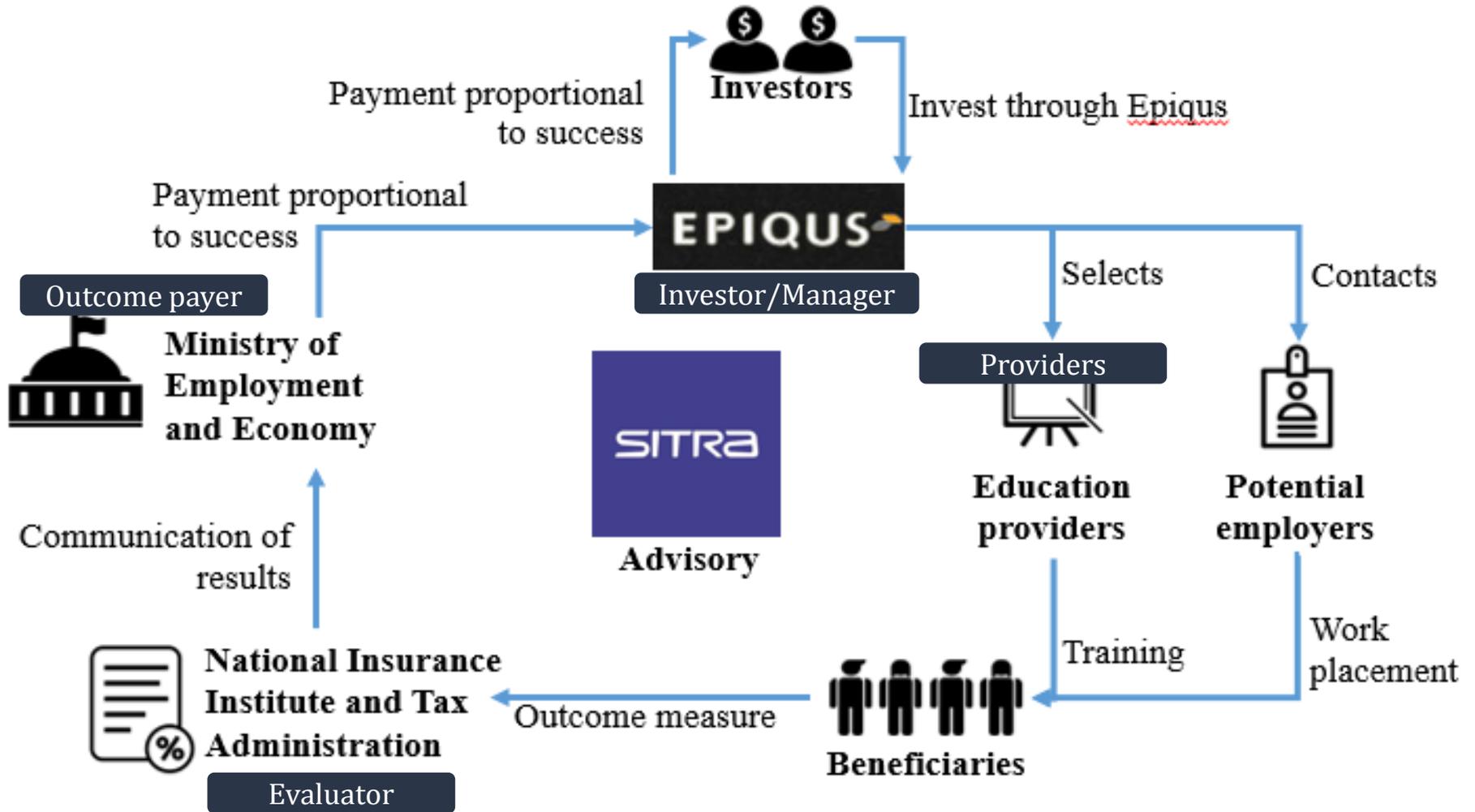


Measure of success

Not “all or nothing”: each beneficiary is considered individually.

Outcomes paid related to training & job outcomes AND a proportion of savings (employment benefit avoided and tax gained)

● ■ EPIQUS - SIB STRUCTURE



Outcomes Funds - Pooled finance from one or more funders in support of set of pre-determined outcomes

Used successfully in the UK (e.g. £80m Life Chances Fund, £40m Commissioning Better Outcomes)

Many different ways of structuring, but the best funds are:

- Open ended and open access – Multiple actors, multiple years, multiple funders
- Contestable – enabling price discovery
- Adaptive – institutional structure to drive learning and market development

Thematic Outcomes Funds – commissioning multiple interventions targeting the same outcomes – understanding the most efficient way of achieving outcomes, at the best price

Innovation Outcomes Funds – enable bespoke delivery and pricing – learning about the effectiveness of an intervention to achieve outcomes



EU Social Finance and Impact Investing Instruments

Social Innovation for Refugee Inclusion

New Approaches to Financing Social Innovation

Brussels, 17.11.2017

Anna Krzyzanowska

Directorate General for Economic and Financial Affairs

Policy Context

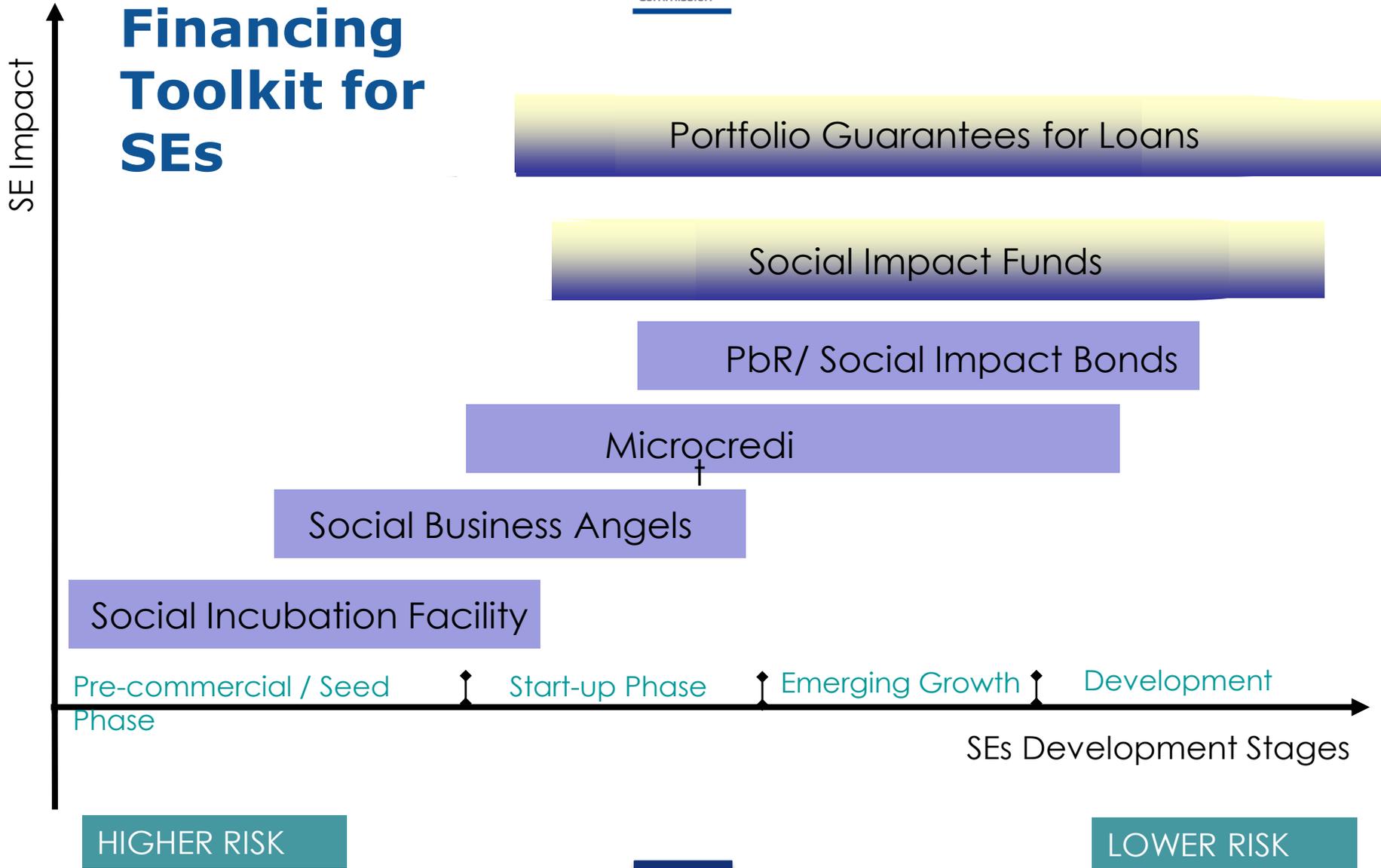
EU support for microfinance and social entrepreneurship as key drivers of social innovation and socio-economic inclusion

- ❑ **Social Business Initiative** launched 2011 to the development of an enabling ecosystem for social economy in Europe
- ❑ **Progress Microfinance Facility (2010- 2016)** first EU level financial instruments in support of microcredit and inclusive business creation
- ❑ **EaSI Programme** (Employment and Social Innovation) financial instruments for microfinance and social entrepreneurship

Investment Plan for Europe ("Juncker Plan") launched 2015

- ❑ **European Fund for Strategic Investments (EFSI)** – impact investing pilots launched, increased social focus under EFSI 2.0
- ❑ Supporting **advisory & market-building efforts** for impact investing in the EU being developed
- ❑ **Regulatory measures** enabling investment environment

Financing Toolkit for SEs

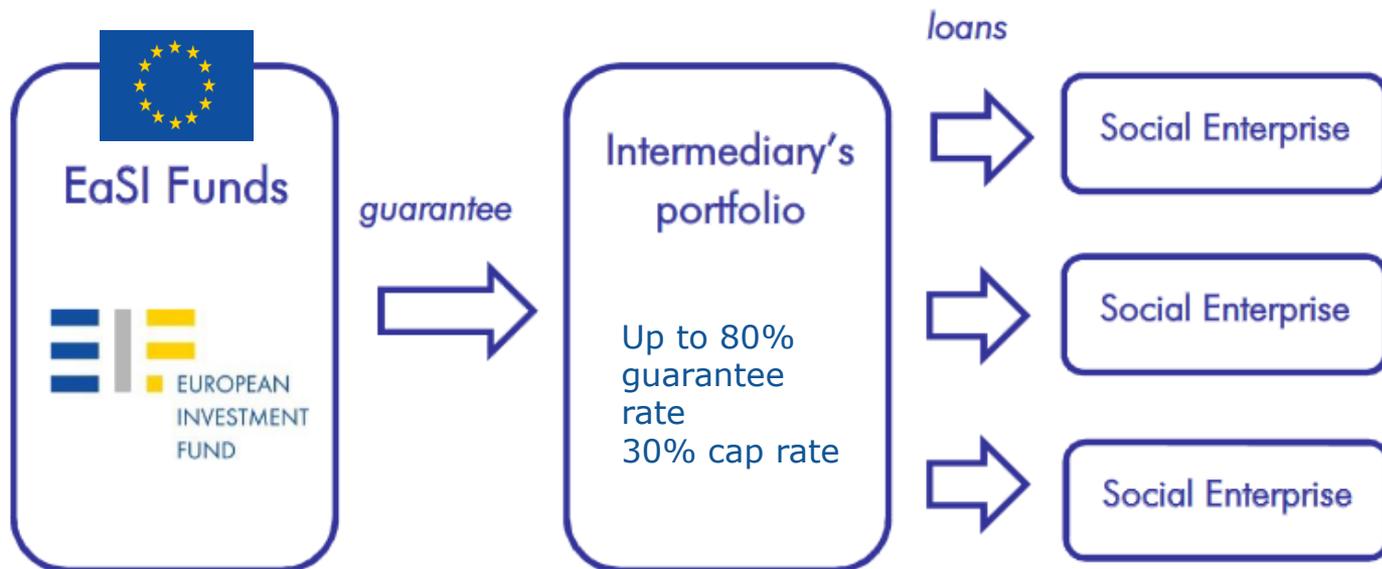




EaSI guarantee instrument

- ❑ Capped guarantee instrument for micro- and social enterprises covering EU28 and pre-accession countries **launched in July, 2015**
- ❑ Eligible financial intermediaries – financial institutions, guarantee schemes, guarantee institutions, foundations, family offices, social investment funds
- ❑ **Business Development Services for Migrants and Refugees** pilot being developed to provide coaching and mentoring support for migrants accessing microcredit

Total of 42 operations have been signed so far in **21 countries** for the total of Eur 63m
Doubling the capacity of the facility through EFSI (**reaching Eur 200m**)



EaSI Capacity Building Investments

- ❑ **Targeted pilot instrument** to build up the institutional capacity of Financial Intermediaries in the micro and social space that have not yet reached sustainability (break-even, operational capacity.)
- ❑ **Launched December 2016**, and realized through:
 - ❑ Direct equity investments (minority stakes in non-bank micro-lenders)
 - ❑ Indirect equity investments (equity in a fund, which in turn, lends to non-bank micro-lenders)
 - ❑ Loans with an “equity-like” risk profile in terms of subordination or maturity profile to Financial Intermediaries that are not allowed to receive equity investments by law or due to regulatory restrictions
- ❑ Focus on *early stage* (greenfield) MFIs and social finance providers
- ❑ **Purpose of the Investments**
 - ❑ Organizational development (Scale up/ expansion of activities)
 - ❑ Operational and institutional capabilities aiming at sustainability
 - ❑ Institutional CB to increase the indebtedness capacity of MFIs

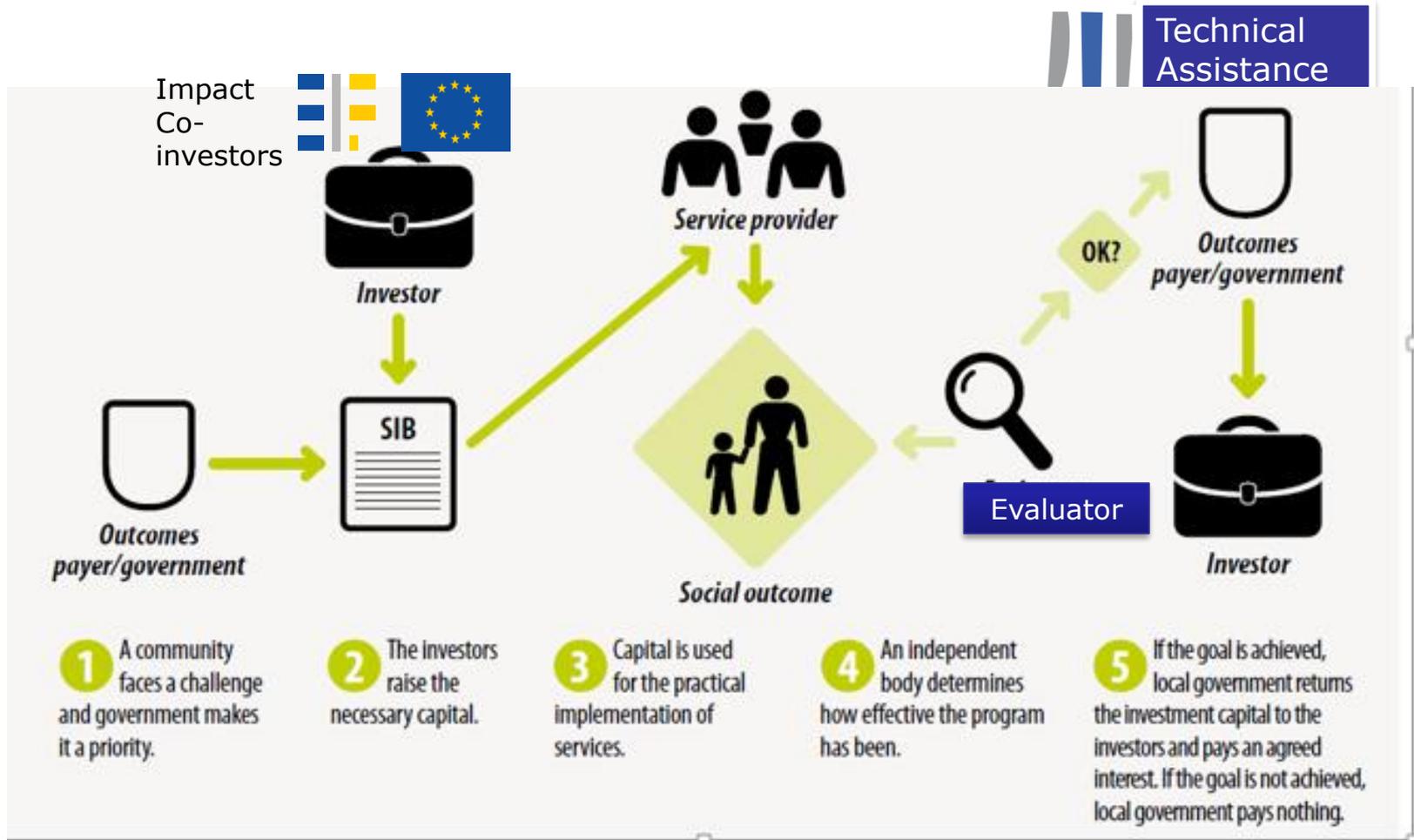
Investment Plan for Europe

- ❑ **Innovative mix of equity products** under the **European Fund for Strategic Investments** ensuring the right mix of financing support to social economy, sustainable employment and spurring social innovation.
- ❑ **Strong focus** on the early stage funding segment, key in promoting innovative business models of dual value creation

EFSI Social Impact Pilots Investments



EFSI Payment-by-Results



EU Pan-European PbR facility

- ❑ **Piloted in October 2016** under EFSI as initiative of the EC and the EIB Group for expanded public service provision with focus on migration
- ❑ **Implemented by the EIF**, investing on behalf of the Commission, as an equity investment scheme
- ❑ **Joint TA measures** being developed to provide the necessary outreach and technical assistance measures to support current and future PbR commissioners of impact to launch and scale social impact bond schemes
- ❑ **First investment realized in June 2017** supporting the **Finnish KOTO SIB** for labor market integration of migrants and refugees
 - ❑ **Objective:** Speed up employment of immigrants, pilot new models of education and employment and combine education and work in a flexible way
 - ❑ Launched Jan 2017, commissioned by the Ministry of Economic Affairs and Employment, **target Eur 15m fund** (largest SIB in Europe)
 - ❑ Expected government **savings for 3+ 3 period: Eur 40- 70 million** (resulting from saved labor market benefits and added tax income)

Advantages of PbR compared to fully public-funded programs

- ❑ **collaboration across multiple procuring bodies** and within provider networks, overcoming the fragmentation of public service provision;
- ❑ prevention and the **enabling of 'invest-to-save' logic** to replace typically 'reactive' service provision; and
- ❑ **innovation** and positive disruption of long-standing processes stemming from the risk transfer from risk-averse procurers to investors.

Looking forward

- ❑ **Continued experimentation** with impact investing tools and platforms to support social entrepreneurship and social economy development
- ❑ **New Funding models:** integrated finance (fixed and flexible social infrastructure components), creative combinations and blending of funding sources for reaching scale and targeting increased number of dimensions
- ❑ **New partnership models:** public- private- people (PPP+), and new logics of intervention; developing communities of practice to further sustainable/ conscious business and investment models



"Without impact, innovation is just an idea with promise."

Judith Rodin

Thank you!

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a european resettlement network for cities and regions

The SHARE Network

@workshop 'Not an urban legend: welcoming refugees in small and rural communities'

2017 Social Innovation for Refugee Inclusion

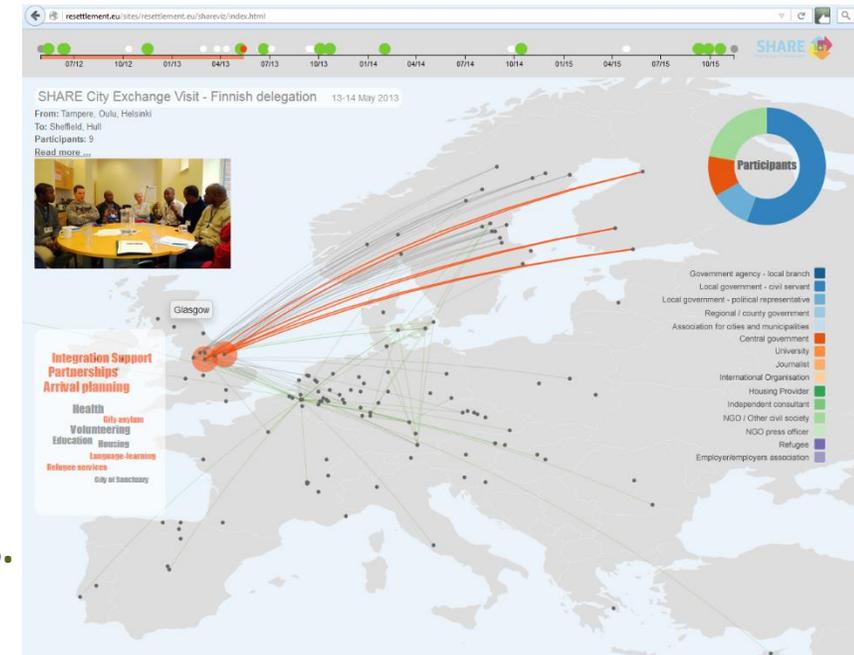
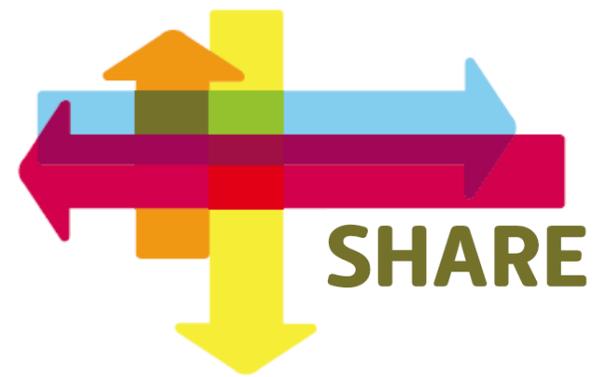


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Why SHARE?

- Success of refugee integration programmes depends on the commitment and ability of local actors
- Multi-level governance challenges in resettlement: national > regional > local
- City peer exchange, dissemination of best practice and mutual learning
- Exchange between experienced resettlement countries, and new/emerging countries
- SHARE launched March 2012 (led by ICMC Europe) and will start its 3rd phase in February 2018 and will focus on integration in small-medium sized municipalities.



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SHARE Final Publication

‘Building a Resettlement Network of European Cities and Regions - Experiences of the SHARE Network 2012-2015’

the culmination of 4 years of the Network learning...

- 1,200 regional and local actors
- 27 European countries:

Austria, Belgium, Croatia, the Czech Republic, Denmark, Finland, France, Estonia, Germany, Greece, Hungary, Italy, Ireland, Luxembourg, Latvia, The Netherlands, Norway, Malta, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Romania and the United Kingdom

<http://resettlement.eu/page/share-final-publication-building-resettlement-network-european-cities-and-regions>



BUILDING A RESETTLEMENT
NETWORK OF EUROPEAN
CITIES AND REGIONS

Experiences of the SHARE Network 2012-2015



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SHARE Integration

“A Network of (small-size) cities, towns and local actors committed to offering protection and welcome for resettled or relocated refugees in Europe”



- Starting 01/02/2018
- raise the profile of- and engage with smaller cities and towns to strengthen reception and integration of resettled/relocated refugees in collaboration with project partners in Austria, Belgium, France, Germany, Italy, the Netherlands, Portugal, Romania and the UK.

Objectives

1. Linking pre-departure and post-arrival activities
2. Preparing smaller communities for reception & integration
3. Capacity Building of emerging resettlement countries
4. Strengthening the SHARE Integration Network and facilitating European best practice exchange

Challenge of defining ‘small’ in the EU...

Population sizes below:

<300.000 (EUROCITIES)

<200.000

<50.000

?



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Why focus on towns / small cities / rural areas?



Main findings SHARE (2012-15): Challenges and Opportunities in small-size cities:

- **National placement policies:** more and more countries are moving towards **mandatory distribution keys so that refugees are housed across the entire national territory**;
- **Result:** smaller municipalities are receiving refugees more so than ever before and are looking to build their expertise;
 - **Social innovation for refugee inclusion in small cities / rural areas means building new partnerships!**

CHALLENGES

- **Less opportunities, infrastructure:** often resulting in secondary movements → **'Sensitive placement'**: taking refugees' specific needs and aspirations into account;
- **Lack of services, experience: to provide support for vulnerable groups** → necessary to mainstreaming refugee needs into mainstream service provision;
- **Lack of capacity:** to provide relatively few places to receive refugees each year → these places are still crucial to fulfilling and expanding national quotas. **Regional-level coordination** can facilitate and promote these small engagements by taking on management and coordination tasks on behalf of participating municipalities; and



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Why focus on towns / small cities / rural areas?



- **Lack of contact:** refugees received into smaller municipalities with less diverse / aging populations may be **highly visible** and local population may have **prejudice** due to lack of contact → Individual integration outcomes are generally improved when refugees are placed close to or within easy reach of family members or friends already in the country, and/or those of a similar national or religious background. → positive contact increases positive attitudes.

OPPORTUNITIES

- **'Soft Landing' experience in smaller cities and rural areas:** local orientation and settlement can be less challenging than in larger urban areas as key services and venues such as schools, healthcare, community facilities and places of worship are often located in **close proximity** to one another, making them more easily accessible;
- **Small cities = strong networks:** the tight-knit social networks of smaller communities can build local support for reception and integration by **involving all local actors** (churches, political representatives, sports clubs, local library etc.); and
- **Housing:** Finding affordable housing for refugees in bigger cities has become a tough challenge, rural areas can offer additional spaces. → **coordinating placement at regional-level** can ensure access to a bigger and more diverse range of housing across participating local areas.



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SHARE Integration

Specific action to support smaller cities / rural areas



- Working group & Training curriculum ‘mainstreaming and preparing welcoming communities’
- ICMC – Caritas Working Group: Private Sponsorship and publication “Preparing communities to sponsor and integrate refugees”
- SHARE Welcoming Communities video series
- ‘Soft Landing’ comparative research – by IFRI

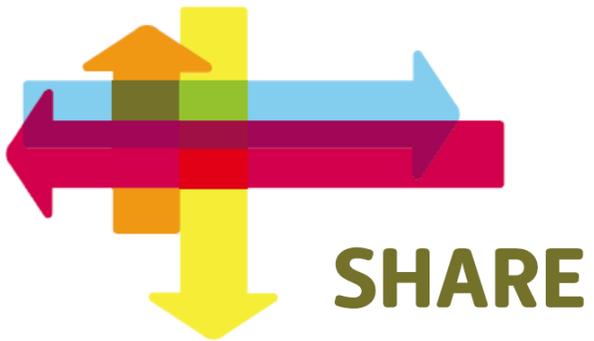


Courtesy of Consorzio Comunitas (2015)



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<http://www.resettlement.eu/page/welcome-share-network>

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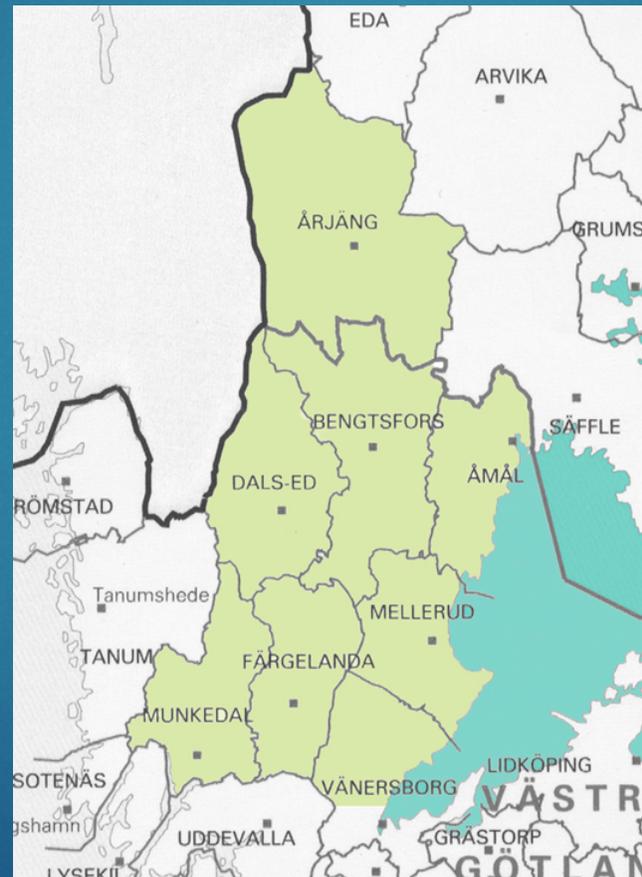
Step by step



KERSTIN CARLSSON, PROJECT LEADER, STEGET FÖRE, SWEDEN

KERSTIN.CARLSSON@FRAMTIDSBYGDER.SE

Framtidsbygder Dalaland Årjäng Munkedal



The project aims to strengthen the inclusion of new refugees in the local rural area

- ▶ 1 To build networks for cooperation and exchange of experiences between local actors
- ▶ 2 To carry out activities in cooperation with local actors that strengthen integration
- ▶ 3 To implement a method to shorten the way to work, social life and participation in the local society
- ▶ 4 To support the individuals based on his/her needs and guide him/her "step by step"

Method

- ▶ **Class**
- ▶ **Individuals**
- ▶ **Non profit organisations**

Local examples

Håfreströms IF



Hedekas



Onsdagskväll i Parken



Local examples

Care for elderly



Education



Challenges and difficulties

- ▶ Local area 5730 km², 12 persons per km²
- ▶ 80%
- ▶ Prejudices of Swedes
- ▶ Actors who do not cooperate or know about each others
- ▶ Information

Benefits for individuals and society

- ▶ Local project – easy to reach and provides quick feedback
- ▶ Natural contact with Swedes
- ▶ Individually adapted contacts with the labour market
- ▶ Faster track to make a living
- ▶ Help to understand a rural way of life
- ▶ New networks, extended networks
- ▶ Link between the different actors
- ▶ Preparing both refugees and employers before meeting
- ▶ Cooperation and exchange between communities
- ▶ Clarifies the situation of refugees for local politicians