

THE LISBON DECLARATION

**SOCIAL INNOVATION AS A PATH
TO A SUSTAINABLE, RESILIENT
AND INCLUSIVE EUROPE**



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**SOCIAL
INNOVATION
COMMUNITY**



SUMMARY

The Social Innovation Community calls on the EU to build on the world-leading practices established over the last decade and make social innovation a core part of its strategy to achieve a “social triple A” for Europe.

The Social Innovation Community has identified five priorities that Europe should address. They include:

1. Making funding suitable for small-scale experimentation, spreading and scaling impact
2. Enabling citizens and civil society to lead local change initiatives through community-led innovation
3. Strengthening the capacity, skills and incentives for public officials and policymakers to support and draw on (citizen-led) social innovation
4. Making public procurement an instrument of social innovation policy
5. Prioritising the spreading of social innovation to regions where it is needed most

Tackling these priorities requires action by Member States and regions, primarily, and by the EU in accordance with the subsidiarity principle. In this Declaration, the Social Innovation Community offers 10 policy recommendations to support social innovation for a fairer, more resilient and inclusive Europe in the context of the next Multiannual Financial Framework for the period 2021-2027:

A **Make social innovation a cross-cutting priority in all EU policies and programmes, by**

1. Creating a cross-service European Social Innovation Action Plan
2. Using the EU Multiannual Financial Framework budget and its key instruments to create longer-term investment and strategic support for social innovation across all EU policies and instruments
3. Creating a new European Observatory of Social Innovation Policy to mainstream and monitor the performance of cross-cutting social innovation policy approaches to help to achieve a “social triple A” for Europe
4. Helping develop the evidence ecosystem for social innovation in Europe by establishing a pan-European network of evidence centres focusing on ‘what works’ in tackling social challenges



B **Use strategic partnerships between EU, national and regional authorities to unleash the power of communities to drive change, including smaller organisations, by**

5. Launching a Europe-wide initiative to expand the number of regional social innovation support organisations by 2027
6. Designing a package of support instruments to enable the creation of locally-controlled asset-based community bodies in all European Member States by 2027
7. Establishing Social Innovation “Diogo Vasconcelos” Fellowships for people developing local change initiatives
8. Setting up a strategic initiative to better enable smaller socially focused organisations, enterprises and facilitators to access EU funding

C **Foster social innovation in the public sector, by**

9. Embedding social innovation actors in governments and public-sector bodies through a new “Innovate4Europe” initiative
10. Establishing ‘Public Procurement Pathfinders’ to connect government agencies with social innovation actors (including civic start-ups, social innovation-focused SMEs or social economy players).

The Social Innovation Community calls upon the EU, its Member States, the European Parliament and the European Commission to consider, consult upon and implement these recommendations in collaboration with social innovation actors.



INTRODUCTION

As the European Union negotiates budgets and programmes for the period 2021 to 2027, it is worth reflecting on how much Europe has changed even in the last few years. From social norms such as equal marriage, to the widespread use of new technologies like social media; from the large-scale movements of people into European countries to the changing global political climate; conditions are rather different today from when the EU's last Multiannual Financial Framework was negotiated. And Europe in 2027 will be different again.

Some trends are widely predicted. Advances in robotisation and artificial intelligence will radically change the range and types of jobs that Europeans undertake. The shift toward a more unequal income distribution is likely to continue. Spending on pensions, healthcare and long-term care will need to increase – according to some estimates, by about **4% of GDP for EU countries by 2050**. But if the last ten years have taught us anything, it is also that we should expect the unexpected, from unforeseen political changes to unimagined technological advances.

To navigate these and other complex changes, we will need to find new ways to tackle societal issues and challenges, not only for citizens, but also with and by citizens.

Of the challenges we have faced over the last decade, some of the most creative and resourceful solutions were initiated not by powerful, well-resourced institutions, but by compassionate, principled and committed citizens, entrepreneurs and civil society organisations, often in partnership with public authorities. We have seen **renewed interest in using cooperatives** as part of the solution for creating meaningful employment. **Digital social innovation initiatives**, using everything from simple social media to cutting-edge technologies, are helping migrants at all stages of their journeys. Across Europe, public authorities are channelling social innovation towards local challenges, using approaches like **challenge-based procurement** or **partnerships with groups of citizen experts**.

To deal with the challenges to come we need to draw on the talent, know-how, active involvement and contribution of all sectors of society.

The European Union and Member States must therefore continue to support the collaborative, empowering cross-sectoral experimentalism that social innovation represents. Emerging priorities for the 2021-2027 programming period – from innovation missions to implementation of the Pillar of Social Rights – require a social innovation approach. The EU has many means to foster social innovation, not least by making it an overarching priority in the new EU budget, and concretely through enhanced instruments like Horizon Europe and the European Social Fund Plus (ESF+).

This Declaration sets out **three principles, five priorities and 10 practical ideas** that outline how the EU can build on the world-leading practices it has established over the last decade to make social innovation a core part of its strategy to achieve a “social triple A” for Europe in the 2021-2027 period.



VALUES AND PRINCIPLES OF THE SOCIAL INNOVATION COMMUNITY

This Declaration is based on consultations run by the **Social Innovation Community Horizon 2020** project between November 2017 and May 2018. These include a policy workshop at the EC-hosted **Opening up to an Era of Social Innovation conference** held in Lisbon in November 2017, an online survey and online policy roundtables, social media campaigns, and one-to-one discussions. More than 350 individuals have taken part, from at least 19 EU countries.

In producing this Declaration, we were inspired by other manifestos and declarations, including the **Digital Social Innovation Manifesto**, the **Manifesto for Transformation Social Innovation** and the **SI-DRIVE Policy Declaration** and the **Strasbourg Declaration on Social Enterprise**, which was initiated by Commissioner Michel Barnier.

These documents demonstrate not only the diversity of the social innovation community, but also its commitment to **common values**, including:

- Pursuing social innovation not for its own sake, but as an instrument to improve quality of life for all and to tackle societal challenges – from the local to the global
- Openness, democratization and the belief that more actors – including citizens, communities, newcomers to Europe, and those facing marginalisation – should play a role in innovation, social and economic development and decision-making
- A belief that bottom-up and top-down cooperation, collaboration and experimentation are needed to overcome the challenges we face, and achieve the ambitious goals set by the EU Pillar of Social Rights and the United Nations' Sustainable Development Goals
- A desire to look for creative ways to improve the quality and inclusiveness of public services, guided by a firm resolve that social innovation should never be an excuse to divest from public services or leave citizens less well off.

In line with our values, we call on European, national, regional and local policy makers to design a social innovation policy agenda based on the following three principles:

1. **Acknowledge the true diversity of this community** and design policy supports accordingly. Social innovation can be initiated by social entrepreneurs, civil servants, mayors, civil society and social economy actors, businesses, educators, civic groups and others.
2. **Move beyond award-based support for social innovation and incorporate social innovation principles and values into EU policies, programmes and instruments.** All policy areas can support social innovation experimentation and learning, blur sectoral boundaries and involve a wider cross-section of actors in tackling social challenges.
3. **Uphold social innovation as fundamental, not an add-on:** An integrated understanding of innovation for the public good should be incorporated into the mainstream EU agenda and be matched by support and investment by decisionmakers at all levels of governance – from the local to the transnational.



FIVE PRIORITIES FOR 2021 TO 2027

In the next programming period, the EU and its Member States and regions should focus on:

1. Making funding suitable for small-scale experimentation, spreading and scaling impact.

Our consultation highlighted several ways that EU funding instruments and regulations could be enhanced to create greater social impact. For instance, several instruments still need to be radically simplified and adapted for social innovation actors, in particular for smaller social organisations, who can find the administrative burden too great. Funding conditions should be made more flexible to encourage the successful development of solutions, in particular in areas based on agile, flexible, iterative and user-centred processes, such as digital social innovation. Issues like risk-aversion and a pressure to spend quickly also discourage national and regional authorities from investing in social innovation. Funding is needed at all key stages of the social innovation lifecycle, including prototyping, experimentation, scaling and replicating proven innovations.

2. Supporting citizens and civil society to play a greater role in community-led innovation.

Our consultation highlighted the need to make European policies and funding more accessible to local communities, for example by co-funding neighbourhood civic innovation spaces, hubs and initiatives (along with national and regional authorities). Consultees pointed to a need for more capacity-building and training so that citizens, communities and civil society can participate in local community-led innovation, something it was argued could be achieved by enhanced cooperation between national governments, regions, local authorities, businesses and employers, workers and civil society, as well as by strengthening a wider network of local providers, facilitators and connectors capable of mobilising such community-led initiatives.

3. Strengthening public officials' capacity, skills and incentives to support social innovation.

Although social innovation might have high-level support from public authorities, several consultees spoke of a gap between policy intention and implementation. A general absence of social innovation skills, mindset and know-how were viewed as major barriers to changing different levels of government from the inside. There were calls to bolster public sector innovative capabilities, for example through (i) training; (ii) re-organising functions, roles and competences; (iii) strengthening regional and local administrations; (iv) modernising and improving the quality of policy development processes, programmes and public services; (v) strengthening inter-service cooperation and coordination; (vi) supporting dialogue with social partners, NGOs and e-government (particularly related to digital democracy and open policy platforms).

4. Making public procurement a better instrument of social innovation policy.

€1.9 trillion is spent on public procurement every year in Europe. Yet despite the good progress that the EC has made in encouraging public authorities to consider innovative, green and social criteria in awarding public contracts, for many social innovation actors, the public market remains inaccessible due to regulatory difficulties or the lack of demand or know-how from public buyers. Our consultation found that innovative partnerships within public procurement procedures are still under-used and leave little room for social experimentation; often lacking the flexibility for iterative development that social innovation initiatives need.

5. Spreading social innovation to regions where it is needed most.

Many respondents pointed to the challenges of living in regions where the need for social innovation was high, but support and awareness was low – particularly amongst national and regional authorities. A strong message overall was to invest more in awareness raising and network-building for regional support organisations and to fund demonstration projects to establish support systems that connect the local, regional, transregional and transnational levels and can help spread social innovations across borders.



10 POLICY PROPOSALS TO SUPPORT SOCIAL INNOVATION FOR A MORE SUSTAINABLE, RESILIENT AND INCLUSIVE EUROPE

Making social innovation a cross-cutting priority in all EU policies and programmes

1

Create a cross-service European Social Innovation Action Plan.

An Action Plan would provide the strategic direction needed for EU policy to achieve better outcomes for all. It would show how different social innovation policy strategies and workstreams can be better aligned to achieve longer-term societal objectives. This should establish coordinated social innovation policy responses – particularly for complex societal challenges that might otherwise fall beyond the remit of a single service. Examples could include: rural social innovation in agricultural policies; supporting social innovation in enlargement, neighbourhood and development policies; transferring lessons learnt outside of Europe; social innovations which harness technology to tackle the new challenges brought about by the digital era, such as precarious work or the spreading of unreliable information; and using social innovation in environmental and climate change policies. This plan should be co-produced with the social innovation community and involve cross-sectoral and regional stakeholders from the respective policy areas.

Why is this needed?

To address complex societal challenges, the EC and Member States need a more coordinated, systemic and longer view of how social innovation can respond to current and future challenges and deliver greater impact for Europe.

2

Use the Multiannual Financial Framework budget and its key instruments to create longer-term investment and strategic support for social innovation across all Commission services, for example by:

- A Incorporating a package of initiatives in Horizon Europe so that it exceeds Horizon 2020's success in delivering societal benefits, including:
 - I. Integrating social innovation in all pillars of Horizon Europe, for example by making clear that social innovation is key to delivering innovation 'missions'. Horizon Europe should adopt a more socially-oriented understanding of innovation – combining commercial, technological and social innovation. It should seek to bring innovation processes closer to the day-to-day concerns of the public, such as by introducing local, place-based innovation actions.



- II. **Simplifying rules for participation and funding and providing dedicated capacity building** to optimise citizen and civil society participation in Horizon Europe.
 - III. **Increasing expenditure on social innovation goals and actions by explicitly opening elements of programming to social innovation actors.** This could include, for example, Proof of Concept grants for social innovation actions; Marie Skłodowska-Curie actions to support mobility between academia and social innovation stakeholders; ensuring that the European Innovation Council (EIC) will also deliver on social innovation, including social innovation representation on the EIC Advisory Board and ensuring that financial instruments target breakthrough innovation including in the social arena.
- B Actively support EU countries to use European Social Fund plus (ESF+) for social innovation,** for example, through fostering in-country expertise that can help engage civil society and social innovation actors, share insights in project development, evaluation and scaling-up of impact, and help monitor and improve countries' approaches to using the funds for innovative actions.
- C Promote InvestEU's significance as a social innovation funding instrument.** InvestEU is a positive step towards tackling several key funding barriers currently experienced by the community; providing a much-needed stimulus to help grow Europe's social innovation markets. To help the community exploit all funding and investment opportunities available to them, a public campaign should be launched that encompasses awareness-raising, education and training support.
- D Use European Solidarity Corps+ and Erasmus+ to create entry points into social innovation for young people.** There are too few established career pathways into social innovation. European Solidarity Corps+ and Erasmus+ can help build up a steady pipeline of future European social innovators. In addition to the voluntary and work projects, practical learning about social innovation methods and principles, and career coaching and supports should be introduced to inspire and raise awareness amongst young people.

Why is this needed?

More than ever, social innovation is needed to become part of European Union and Member States' core business: to tackle our complex challenges, make use of our unique shared assets, and to ensure the European project genuinely delivers on its promises to the people of Europe. Achieving this will require more strategic and long-term cooperation and support for social innovation than the standalone, award-based support for social innovation that has prevailed up to now. This requires a concerted effort on the part of all the European Commission's services, the European Parliament, the European Council and Member States to make social innovation an overarching priority of the MFF.



3

Create a new European Observatory of Social Innovation Policy to mainstream and monitor the performance of cross-cutting social innovation policy approaches to help to achieve a “social triple A” for Europe.

The Observatory should provide monitoring functions in priority policy areas such as community-led local development; sustainable solutions to housing and homelessness; and creating better and more sustainable employment. It should track social innovation policy trends and offer analysis and guidance on how Member States could integrate social innovation experimentation into national policy reform. It should also identify high-potential social innovations and emerging social innovation fields, trends and technologies. The Observatory should help spread social innovation policy approaches, for example by setting up learning exercises between Member States to help adapt, replicate or scale promising social innovation pilots, experiments and programmes from elsewhere. Finally, it should complement existing national reporting to capture more nuanced data related to social challenges, such as disparities within Member States, map key assets and monitor performance of social innovation approaches locally and regionally, all with input from community groups, social and civil society actors.

Why is this needed?

Tracking the use of social innovation in making progress against key indicators in the Social Scoreboard or the Social Progress Index would help to facilitate cross-border policy learning; spread new evidence-informed solutions; and ultimately narrow the gap between aspiration and implementation in achieving a “social triple A” for Europe. An institution like the European Observatory of Social Innovation Policy is needed to provide ongoing oversight and support for this over time.

4

Develop the evidence ecosystem for social innovation in Europe by establishing a pan-European network of evidence centres, tasked with improving, synthesising and disseminating evidence about ‘what works’ in innovative approaches to tackling social challenges.

Their success should be measured on how they enable practitioners and policymakers to improve and use evidence. Inspiration could be drawn from existing models around the world. The UK has set up a network of ‘What Works Centres’ each focusing on a different policy area - the Educational Endowment Foundation, for example, supports educational innovations to evaluate their work, and synthesises evidence so that school leaders can easily assess which interventions are most likely to work in their contexts. JPAL-Europe, based in Paris, conducts randomised evaluations, builds partnerships for evidence-informed policymaking, and helps partners scale up. By improving and spreading evidence, these centres should increase the likelihood that proven innovations can spread into new contexts.



A European Social Innovation Policy Observatory should additionally help support the work of the evidence centres. The Observatory (already outlined in Recommendation 3 above) could carry out additional activities to ensure that new and high-potential social innovations are detected, given visibility and policy support early on. This could include: horizon scanning, surveying social innovations (including those originating outside the public sector), identifying emerging fields and trends, exploring policy developments and implications in key thematic areas, building a network of national correspondents, commissioning further analyses and acting as a hub for impact assessment of programmes and pilots.

A strong link needs to be made between the evidence centres and a network of support organisations who can help national and regional authorities looking to set up their own social innovation experiments to translate evidence and increase the likelihood of uptake of proven innovations into policy practice in new contexts and at the national and regional levels.

Why is this needed?

Evidence on the effectiveness of social innovations is often limited, and this hinders them from spreading and scaling. A pan-European network of evidence centres could reduce some of the risks and costs associated with one-off evaluations of programmes (the key lessons of which may not be fully exploited if a programme is discontinued), and provide insight and evidence on the impact that social innovation is having in tackling societal challenges.

Using strategic partnerships between EU, national and regional authorities to unleash the power of communities to drive change, including smaller organisations

5

Launch a Europe-wide initiative to expand the number of regional social innovation support organisations by 2027.

More needs to be done to help develop, support and scale social innovations with the potential to tackle identified societal challenges or to help achieve regional targets – such as experimenting with new approaches to support the implementation of the Pillar of Social Rights in every major region across Europe – particularly in regions where currently there is little social innovation activity but where societal need is high. Following an initial mapping exercise – with input from Member States and social innovation stakeholders from every major region across Europe (particularly, less developed and transition regions) – a fund should be set up to support local providers and actors who can act as facilitators and multipliers of social innovation. This should include incubators, accelerators, organisers of community events and meetups, networks, physical hubs, matchmaking programmes and training initiatives.



Why is this needed?

The EU has an important role to play in funding, supporting actions and providing strategic leadership to strengthen the connections, learning opportunities and emergence of locally-embedded support systems for social innovation. This requires much more than European-level activity alone, however. The cooperation and support of many players – national governments, regions, local authorities, private and social sector and civil society organisations, and people themselves – in investing themselves and their resources is required to identify priority issues and build up coalitions of actors that can address them.

6

Support the creation of locally-controlled asset-based community bodies in all European Member States by 2027.

In countries like Scotland and Belgium, community land trust models are being used as a vehicle for place-based social innovation. They tackle local challenges such as how to create a more sustainable supply of affordable housing. The EU should encourage Member States to adopt supportive legal frameworks for community development and community-run asset sharing schemes with the goal of rolling out community-led development strategies in every major town and city in Europe by 2027. To do this, funding should be directed to local and regional organisations that can help mobilise individuals, civic associations and local institutions. They could offer capacity building, leadership training and technical assistance to communities in setting up task forces and in designing strategies on how to get there, for example by using dormant assets, crowdfunding, contributions from banks and vacant land.

Why is this needed?

Social innovation tends to start with local communities. Policies and initiatives exist in many European countries and regions to support communities to take control of local assets, but there is a lot of potential to spread the benefits of these approaches – which can include demonstrable neighbourhood revitalization and increasing communities' capacities to further their own interests – more widely.

7

Establish 'Social Innovation Fellowships'

A stipend, paid as a salary, for people working to develop local change initiatives, such as setting up Transition initiatives, to cover their basic living costs and enable them to devote time to leading change in their communities. Using the naming precedent of Marie Skłodowska-Curie Fellowships, Social Innovation Fellowships could be named 'Diogo Vasconcelos Fellowships'.



Why is this needed?

Community-led change initiatives are important in tackling a range of issues from climate action to migrant integration. Yet most rely on volunteers and individual community activists, meaning a large cross-section of people are excluded from participating in social innovation initiatives. For volunteers, all this can lead to burnout – and means that initiatives often go ‘dormant’ or only make slow progress.

8

Set up a strategic initiative to better enable smaller, socially-focused organisations to access EU funding.

The ‘Think Small and Social First’ initiative could include co-designing calls with social innovators; simplifying application and reporting processes for grants under €100,000; enabling grantees to pursue more responsive and iterative development approaches; making funding timescales more flexible; and allowing small sub-contracts for core tasks. A free-to-use service should be set up for smaller social organisations to get information about available EU funding and capacity-building opportunities that are available nationally and regionally.

Why is this needed?

Small, nimble organisations that are well placed to test new approaches are often discouraged from seeking European funding and supports because of the complexity and monitoring burdens associated with doing so.

Fostering social innovation in the public sector

9

Embed social innovation actors in governments through a new ‘Innovate4Europe’ initiative

modelled on **Code For America**. Using a range of technological or non-technological social innovation approaches, this cross-European network of actors could, over the course of a 12-month funded period, help governments tackle one of a range of identified current challenges for social innovation actors, such as improving community engagement and co-design with citizens; setting up partnerships with social innovators; encouraging and supporting public officials to apply social innovation principles to their work; or working on improving identified barriers to effective public-social partnerships, such as opening public procurement up to social innovation actors.



Why is this needed?

Our consultation identified a real need to strengthen the capacity, skills and incentives for public officials and policymakers to support and draw on (citizen-led) social innovation, and to experiment with new approaches that allow citizens and social actors to be more included in policymaking processes.

10

Establish 'Public Procurement Pathfinders' (PPP) to connect government agencies with social innovation actors (including civic start-ups, social innovation-focused SMEs or social economy players) to co-develop social products and services. The Social Innovation Community welcomes the Commission's recently published **Guidance on Innovation Procurement** and envisages the PPP as a complementary mechanism to support Member States in making full use of public procurement as a catalyst for social innovation on the ground. The PPP should support public authorities to experiment with new, more efficient ways of procuring services from social innovation actors. It should explore possibilities to use open data, open standards and open contracting to make procurement accessible to a much wider range of actors, including social innovators. In fleshing out the details, the EU could draw from the experience of other models aimed at improving procurement for innovation, like the US-based programme, **Startups in Residence**.

Why is this needed?

While the 2014 public procurement directive has created a legal basis for public authorities to consider social value in procurement decisions, there is still a critical need to rethink the role of public procurement in helping to open up and widen access to key markets – specifically in reconfiguring public procurement procedures to better meet the needs of smaller social innovation actors (including civic start-ups, social innovation-focused SMEs or social economy players).

THE WAY FORWARD

The Social Innovation Community calls upon the EU, its Members States, the European Parliament and the European Commission to consider, consult upon and implement these recommendations in collaboration with social innovation actors.



This Declaration was initially endorsed by the following partner organisations:



Nesta (UK)



AEIDL - the European Association for
Information on Local Development (BE)



Technical University of Dortmund (DE)



Social Innovation Exchange (UK)



University of the Basque Country (ES)



Dutch Research Institute for Transitions (NL)



Danish Technological Institute (DK)



University of Bologna
Alma Mater Studiorum (IT)



ECOLISE (EU)



Social Innovation Lab (HR)



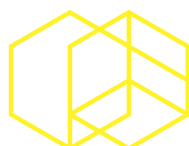
ZSI – Centre for Social Innovation (AT)



The European Network of Cities and
Regions for the Social Economy



The Young Foundation (UK)



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