

Local Economic and Employment Development (LEED)

# Starting, Scaling and Sustaining Social Innovation

Evidence and Impact of the European Social Fund





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# **Starting, Scaling and Sustaining Social Innovation**

EVIDENCE AND IMPACT  
OF THE EUROPEAN SOCIAL FUND

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# Foreword

In recent years, there has been a considerable increase in, and awareness of, social innovation to address pressing social, economic and environment challenges, whilst also supporting improved well-being. This new wave of social innovation has ushered in a range of innovative and adaptable solutions across a range of policy areas including education, healthcare, employment, and environmental sustainability

The OECD has significantly advanced understanding of social innovation over the years, and, in doing so, has accelerated uptake and visibility in policymaking, including among local communities. The OECD first defined social innovation in 2000. The recent OECD 2022 Recommendation on the Social and Solidarity Economy and Social Innovation has built on and reinforced earlier efforts. This report goes further by identifying the dynamics and critical factors, at both the national and local levels, that contribute to the emergence and scaling of effective social innovation ecosystems and that can sustain their impact over time.

It does this by analysing the impact of the European Social Fund (ESF, the European Union's primary tool for supporting social innovation) on facilitating and scaling social innovation in and across European countries. As one of the EU's Structural and Investment Funds aimed at promoting cohesion, economic growth and social progress, as well as supporting the implementation of the European Pillar of Social Rights, the ESF provides funding to local, regional, national and transnational projects and organisations involved in areas such as employment, social welfare, education, skills and social cohesion.

As countries explore innovative solutions to address complex societal issues, the “3S Framework” – Start, Scale, Sustain – developed in this report, provides an approach for any country, region or local area to use social innovation. Based on an analysis of 96 ESF-funded projects from the ESF 2014-20 programming period, this framework identifies three steps, or phases, in the development of socially innovative projects: “Starting”, which focuses on the experimentation phase of social innovation: “Scaling” whether through organic growth or replication of successful social innovations; and “Sustaining” which focuses on policies to support lasting social impact. For each phase, the report provides examples of existing levers in EU countries and policy orientations to further support social innovation and inform future ESF programming periods beyond 2027.

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# Abbreviations and acronyms

<b>AVISE</b>	Agence de Valorisation des Initiatives Socio-Économiques (France)
<b>BENISI</b>	European Network of Incubators for Social Innovation
<b>BMBF</b>	Federal Ministry of Education and Research (Germany)
<b>BMWK</b>	Federal Ministry for Economic Affairs and Climate Action (Germany)
<b>COVID-19</b>	Coronavirus Disease 2019 (SARS-2)
<b>CRESS</b>	Chambre Régionale de l'Économie Sociale et Solidaire (France)
<b>EaSI</b>	Employment and Social Innovation Programme
<b>EBN</b>	European Business and Innovation Centre Network
<b>ENRD</b>	European Network for Rural Development
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>ESF+</b>	European Social Fund Plus
<b>ETC</b>	European Territorial Cooperation
<b>EUR</b>	Euro
<b>FEAD</b>	Fund for European Aid to the Most Deprived
<b>IBB</b>	Investitionsbank Berlin (Germany)
<b>INTERREG</b>	Interregional Cooperation
<b>JRC</b>	Joint Research Centre
<b>LEED</b>	Local Employment and Economic Development
<b>MS</b>	Member State
<b>NGO</b>	Non-Governmental Organisation
<b>OPSI</b>	Observatory of Public Sector Innovation
<b>PFI</b>	Partnerships for Impact
<b>PSI</b>	Portugal Social Innovation
<b>R&amp;D</b>	Research and Development
<b>SEED</b>	Social Innovation Ecosystem Development
<b>SFF</b>	Social Finance Fund (Canada)
<b>SIHA</b>	Social Innovation Hub Anáhuac (Mexico)
<b>SME</b>	Small and Medium-Sized Enterprise
<b>SPO</b>	Social Purpose Organisations (Canada)
<b>VC</b>	Venture Capital
<b>YEI</b>	Youth Employment Initiative

# Executive summary

## Momentum on social innovation is growing in many countries

**Social innovation is increasingly recognised as a tool to address complex social challenges, as it can identify new solutions for policy action.** Many countries have developed specific strategies and public initiatives on social innovation, such as France 2030, Estonia's "Vision 2030 for social innovation", Germany's Strategy for Social Innovation and Social Enterprises, Italy's Strategy for Inner Areas, and Portugal's Social Innovation Initiative. Social innovation refers to conceptual, process, product or organisational changes, with the ultimate goal of enhancing the welfare and well-being of individuals and communities. The sectoral and policy applications of social innovations are broad, and include for example, addressing healthcare shortages in remote areas, providing community-driven educational programmes, and tackling unemployment through multi-stakeholder collaborations.

**By prioritising social value, social innovation encourages collaboration among many diverse stakeholders.** These include public and private entities, citizens, philanthropic organisations, and local communities, thereby promoting participatory decision-making, and, in turn, strengthens impact and social value. This emphasis on social value and collective impact is another factor that distinguishes social innovation from business and technological innovations.

## In Europe, the European Social Fund supports the development of social innovation across Member States

**The European Social Fund (ESF) has been supporting initiatives in employment, education, social welfare, inclusion, and beyond for almost 70 years.** These initiatives frequently span multiple policy sectors and include diverse participants, from public authorities to grassroots organisations, showcasing the ESF's role in testing local solutions to intricate societal issues.

**During the 2014-20 programming period, the ESF supported numerous projects across EU countries. Some of these projects promoted the use of social innovation.** This report reviews 96 project evaluations conducted during the specified period, focusing in particular on 15 projects which effectively illustrate "what worked" in social innovation, whether explicitly labelled as such or not. Although social innovation was not a priority during the 2014-2020 programming period, the selected projects showcased features of successful social innovation practices. These include cross-sector collaboration, multi-stakeholder engagement, scalable designs, and the ability to tackle social issues through innovative solutions. The projects addressed a wide range of challenges, including migrant inclusion, labour market integration, and low education levels. The report presents those examples, detailing factors contributing to socially innovative solutions and how the European Social Fund (ESF) has helped.

**The fund has increasingly focused on social innovation, particularly since the beginning of the 2021-27 programming phase.** For example, every Member State must designate at least one priority for social innovation, with Article 14.4 providing strong financial incentives to do so, by permitting countries to claim 95% of EU co-financing for socially innovative projects. The total budget for the current ESF+ 2021-27 programming period is EUR 142.7 billion. This report also emphasises key existing levers and policy directions to further foster social innovation, aimed at informing future ESF programming periods.

## **Start, Scale, Sustain: The “3S Framework” can help strengthen social innovations across sectors and places**

**As countries explore innovative solutions to address complex societal issues, the “3S Framework” – Start, Scale, Sustain – provides an approach any country, region or local area can adopt to leverage social innovation.** It draws on guidance and examples from 11 EU countries during the 2014-20 ESF programming period to identify success factors that facilitate the replication of successful social innovations. The Framework is also informed by insights garnered from 96 project evaluations, extensive stakeholder consultations, and focus groups that involved ESF managing authorities, ministries responsible for social innovation policies, the private sector, experts, academics, social economy organisations, and relevant stakeholders across Europe. Designed as a practical resource, the 3S Framework identifies existing levers and actionable policy measures that can support social innovation initiatives in any country, including within the ESF context.

### ***Start social innovation experiments to address social challenges***

**The initial phase of social innovation centres on experimentation.** Testing social innovations allows policy makers and practitioners to try new solutions on a smaller scale and gather evidence on what works effectively before rolling out broader projects and/or reforms. For example, in Austria, a project focused on structural inequalities towards women in the labour market through experimental initiatives on equal pay and career development by improving qualifications and career planning in feminised sectors such as cleaning. Innovation labs, hubs, and incubators are found to provide supportive environments for these efforts. For example, Poland established social innovation incubators to support experimentation with social innovation from individuals and small entities. Research and development (R&D) programmes can also integrate social innovation into broader research agendas, establishing connections with wider research initiatives. In some countries, collaborative platforms have helped strengthen the collective capacity to develop and implement social innovations through knowledge exchange and partnerships. For example, Spain actively promotes collaborative platforms and forums to foster knowledge exchange and partnerships, including on social innovation. Last but not least, for experimentation to happen, there is a need to create the conditions for a multi-stakeholder approach grounded in local contexts. One of these conditions is the availability of dedicated funding, such as grants and seed capital for social innovation experiments.

**The ESF presents significant opportunities to further help start social innovation experiments.** This can be achieved through various actions. One of such actions is to identify “blind spots”—areas where social innovation is lacking due to limited awareness or funding. This can help the ESF better target interventions in underserved locations and issues, as well as support projects led by small entities and organisations. For small entities, the ESF’s commitment to the timely disbursement of funds can alleviate cash flow constraints that hinder social innovation experimentation. Another step is to encourage multi-stakeholder engagement at the experimentation phase. This approach allows for the integration of different perspectives, including those of research communities and enhances the relevance and scalability of solutions. Fostering collaboration with academic institutions, supported by ESF funding, can bridge the gap between research and practical application, creating a pipeline of innovative ideas. Finally, the ESF

can facilitate connections among social incubators across countries and regions (for example, border regions between Portugal and Spain), thereby building broader European social innovation ecosystems.

### ***Scale successful social innovation***

**Scaling social innovation helps to replicate successful solutions.** The goal is to replicate successful initiatives on a larger scale across various contexts, thereby enhancing the impact of socially innovative solutions. For example, when social innovation is spearheaded by social enterprises, growth finance mechanisms can be combined with public and private resources to provide loans and equity to expand innovations. Another supporting factor is capacity-building. National competence centres, academic institutions, and specialised training organisations can offer training and mentorship to social enterprises, non-profit organisations, and local authorities on ways to scale social innovations. For example, in Estonia, the ESF-funded "Adaptation and Integration Measure" helped enhance the capabilities of service providers, equipping them with skills and knowledge through training and study visits, enhancing programme delivery to effectively support the integration of immigrants. This programme involves cross-sectoral collaboration among ministries, private entities, and NGOs, as well as tools like the multilingual platform [settleinestonia.ee](https://settleinestonia.ee) and activities such as language clubs and cultural immersion.

**Scaling social innovation can also be facilitated through transnational cooperation.** This enables successful social innovations to be adapted and implemented in different national contexts. For example, the Interreg Alpine Space Programme highlights how transnational cooperation can effectively scale social innovation, leading stakeholders across the Alpine region to share collaborative solutions to common challenges, such as demographic shifts and climate change. Finally, successful social innovations could be mainstreamed and integrated into policy instruments, including, through legislation, when needed. For example, France's Zero Long-Term Unemployment Territories experiment, which addresses unemployment by creating jobs that meet community needs through the redirection of cash benefits typically given to unemployed individuals, was extended by law (European Commission, 2024<sup>[1]</sup>).

**ESF Managing Authorities, National Competence Centres, and other relevant stakeholders can facilitate the dissemination of successful social innovations through impact measurement, cross-border cooperation and better regional coordination.** Encouraging impact measurement can help quantify outcomes, which in turn can attract investment to scale successful social innovations. It can also provide evidence of social value and encourage stakeholders and funders to support impactful initiatives. For example, in Bavaria, Germany, integrating socio-pedagogues as neutral external mentors into geriatric care apprenticeship programmes helped reduce dropout rates and provided measurable outcomes that demonstrate the initiative's effectiveness. Previously uncommon in Bavaria, this initiative was scaled. It supported wide stakeholder collaboration while addressing workforce shortage in geriatric care. Building ecosystems through multi-stakeholder networks can also enable resource pooling and collective problem-solving. The Portugal Social Innovation initiative is a prime example of an ecosystem which brings together public institutions, private investors and social economy entities to facilitate and scale social innovative solutions. In the same vein, improving the coordination of ESF-funded initiatives across EU regions can help rural and underserved areas access innovative solutions to issues such as service provision and delivery or care for elderly people. This can be achieved through regional networks, which can help replicate successful social innovations in different contexts.

**Finally, linking social and technological innovation creates new avenues to expand the reach and effectiveness of social innovations.** Many projects have highlighted the use of apps and technological platforms to deliver social innovation. More generally, technology can facilitate scaling social innovation, improve its delivery, and enable data collection for impact measurement, thereby reinforcing the entire ecosystem. Overall, using these strategies—impact assessment, ecosystem building, regional

coordination, internationalisation, and technological solutions—forms a cohesive approach to scale social innovations.

### ***Sustain social innovation impact over time***

**Sustaining social innovation refers to its continuity and impact over time.** This can be achieved through a combination of policy, financial, and institutional mechanisms that embed innovation into the fabric of public governance and service delivery. For example, in France, the 2014 Law on the Social and Solidarity Economy established a comprehensive legal framework that defines social innovation and supports social enterprises, active in social innovation like those enhancing inclusive employment. Socially responsible public procurement offers another practical approach for public authorities to actively incorporate social criteria into their purchasing decisions, thereby promoting and incentivising social innovation within the marketplace. In the Slovak Republic, the implementation of socially responsible public procurement has enabled public authorities to prioritise contracts with social enterprises, thereby enhancing employment opportunities for disadvantaged groups (as illustrated by the "Human Resources Operational Programme" case study).

**To make sure these innovations are not just pilot projects but sustainable solutions, establishing long-term financing mechanisms is another important lever.** Funding helps social innovations to scale and mature. Concurrently, raising public awareness and recognition plays a major role in garnering societal support, which can lead to increased participation and acceptance for social innovation initiatives. For example, in the Netherlands, the "Sustainable Employability Regions and Sectors" project highlights how visibility of social innovation can be achieved by engaging companies and employees in workshops, coaching sessions, and public campaigns tailored to sector-specific needs. For these efforts to be enduring, institutionalisation is key. Creating dedicated bodies, national or regional strategies, or permanent processes within the public sector ensures that social innovation transitions from isolated projects to a sustained, integral part of policy-making and service delivery. Together, these elements—legal support, social procurement, long-term financing, societal recognition, and institutionalisation—are interconnected. They collectively legitimise, scale, and sustain social innovation as a core component of public policy and societal advancement.

**The ESF could further enhance the continuity of social innovation by adopting targeted policy actions.** Most of the project evaluations included in this report emphasise the role of municipalities in supporting social innovations, given their context-specific approaches and their capacity to promote community development. Empowering municipalities to manage and adapt successful social innovation projects can lead to a more effective allocation of local resources and ensure that these innovations are responsive to community needs. For example, in Czechia, the ESF-funded micro-nursery initiative helped municipalities to establish and manage small-scale childcare facilities, effectively addressing local early childhood education needs and supporting parental employment. Another factor in sustaining social innovation in general and amplifying the impact of ESF-funded social innovation projects over time is aligning them with the twin transition. For example, the Interreg Alpine Space Programme is an example of how the impact of ESF-funded social innovation can be amplified by supporting low-carbon solutions and digital innovation across the Alpine region. Additionally, positioning social innovation as a tool for cohesion can strengthen the EU's capacity to address shared challenges among Member States. This can be achieved by fostering locally tailored solutions that bridge regional disparities and promote balanced development. To accomplish this, it is important to integrate social innovation into the core objectives of ESF programming and to promote cross-border collaborations focused on common challenges such as social inclusion, environmental issues, and public health.

## Infographic 1. Social innovation and the European Social Fund

### What is social innovation?

Social innovation refers to **conceptual, process, product or organisational changes**, with the ultimate goal of enhancing the **welfare and well-being of individuals and communities**.

### What can social innovation address?

It can help in areas such as:

- Filling gaps in public services
- Supporting migrant integration
- Promoting inclusive hiring
- Offering tailored employment support
- Tackling environmental challenges
- Strengthening social cohesion

### What is the European Social Fund?

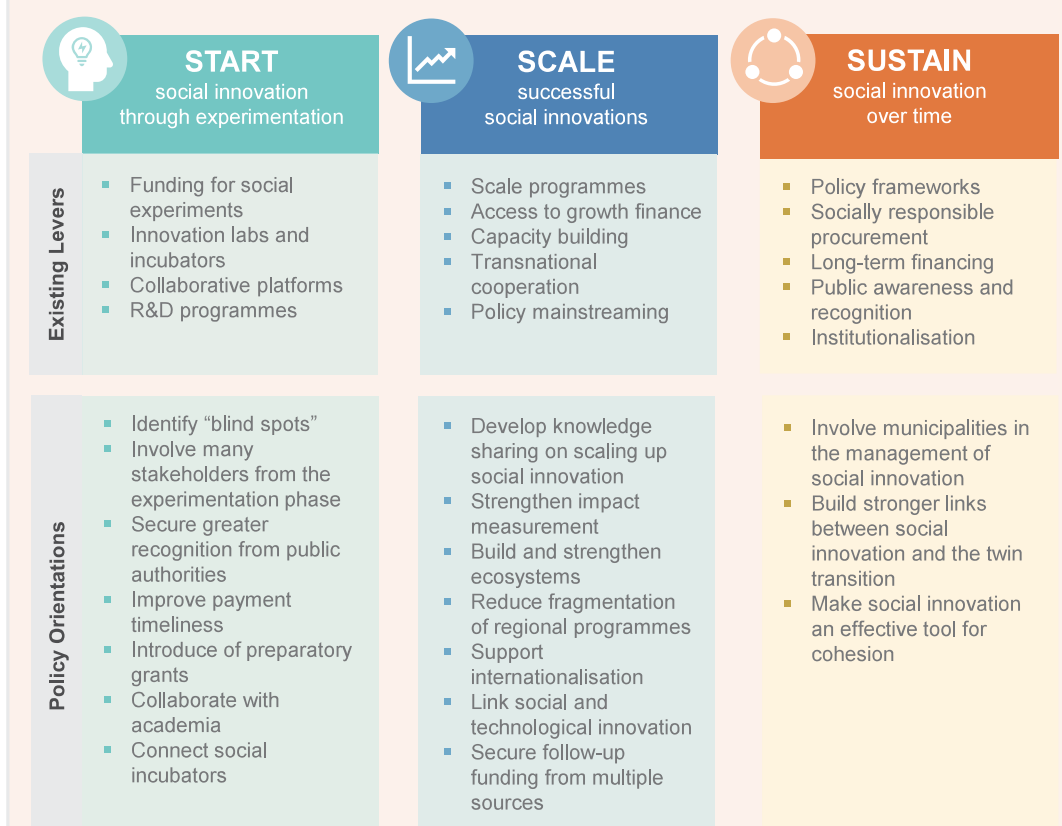
The ESF is the primary tool in the European Union for **supporting social innovation across numerous sectors**, notably:

- Employment
- Education
- Social welfare
- Social cohesion
- Skills

Based on 96 evaluations from 24 EU countries during the 2014-20 ESF programming period, and consultations with over 75 stakeholders, **existing levers and policy orientations to support social innovation** were formed to optimise the forthcoming ESF+ programming cycles.

### How can the “3S Framework” support social innovation?

The 3S Framework – start, scale, sustain – provides tools and policy orientations **for any country, region or local area** to implement to support social innovation.



Source: Authors' own elaboration.

# 1 Introduction

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This chapter explores the European Social Fund (ESF) role in promoting and expanding social innovation across EU Member States. Based on a review of 96 ESF-funded projects from the 2014–2020 period—covering 24 countries to ensure balanced regional and sectoral representation—it identifies two primary categories: initiatives explicitly focused on social innovation, entrepreneurship, or the social economy, and projects that incorporate innovative elements aligned with social innovation principles. As the EU’s principal structural investment instrument for employment, skills, inclusion, and cohesion, the ESF has engaged a wide range of stakeholders—including managing authorities, government agencies, civil society organisations, academia, businesses, and local communities—in piloting and scaling novel solutions in areas such as education, vocational training, social care, migrant integration, and environmental sustainability. Insights and evidence gathered aim to inform ESF programming beyond 2027, in preparation for the European Commission’s proposal for the next Multiannual Financial Framework in July 2025.

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## What does this report seek to address?

**This report analyses the impact of European Social Fund (ESF) funding on facilitating and scaling social innovation.** In the EU, the ESF is the primary tool for supporting the development and implementation of social innovation across sectors. As one of the EU's Structural and Investment Funds aimed at promoting cohesion, economic growth and social progress, as well as supporting the implementation of the European Pillar of Social Rights and implementing the European Semester's country-specific recommendations, the ESF provides funding to local projects and organisations involved in areas such as employment, social welfare, education, skills and social cohesion (European Commission, 2023<sup>[1]</sup>).

**The report also provides an analysis of 96 ESF-funded projects from the 2014-20 programming period, focusing on the application and scalability of social innovation to help inform future ESF programming post-2027.** It is part of the studies informing the next multiannual financial framework, to be proposed by the Commission in July 2025.

**These 96 initiatives were selected by the European Commission to provide a balanced representation of projects across EU countries and sectors.** Based on a comprehensive review of these evaluations spanning 24 countries, the report highlights two main categories of projects involving diverse stakeholders:

- Projects specifically oriented towards promoting and supporting social innovation, social entrepreneurship, or the social economy.
- Projects that, while not explicitly focused on social innovation, employ strategies that resonate with the definitions, principles, and characteristics of social innovation.

**Socially innovative projects supported by the ESF have engaged a wide range of stakeholders,** including ESF Managing Authorities, national and local governments, local communities, businesses, civil society organisations, educational institutions, and various government agencies. They have successfully experimented with and scaled innovative solutions across sectors (such as education, vocational training, and care) or addressed broader objectives like social inclusion, migrant integration, and environmental sustainability.

## What is social innovation?

**Social innovation has gained significant attention in the early 21st century with the rise of social entrepreneurship and the growing recognition of the role of innovation in addressing social issues.** Social innovation refers to the development and implementation of new ideas (products, services, and models) that simultaneously meet social needs and create new social relationships or collaborations. It may arise differently across cultures and places, hence the need to understand how local contexts influence the types of innovations that emerge (Nicholls and Edmiston, 2019<sup>[2]</sup>). Commonly cited definitions for social innovation emphasise the novelty, effectiveness and social objectives of these initiatives, as well as collaborations (Mulgan et al., 2007<sup>[3]</sup>) (see Box 1.1). Several frameworks have emerged to conceptualise social innovation, such as the "Social Innovation Spiral" (Phills, 2008<sup>[4]</sup>) or the "Social Impact Framework", which highlight the importance of measuring social value.

### Box 1.1. Definitions of social innovation

**While there is no globally agreed definition of social innovation, the OECD first defined the concept of social innovation in 2000** as “creating and implementing new solutions that entail conceptual, process, product or organisational changes, with the ultimate goal of enhancing the welfare and well-being of individuals and communities” (OECD, 2010<sup>[5]</sup>). Building on this work, the 2022 [OECD Recommendation on the Social and Solidarity Economy and Social Innovation](#) includes social innovation as one of nine distinct building blocks that provide the conditions for the social economy to thrive.

**The European Commission defines social innovation through its ESF+ Regulation** as “an activity that is social as to both its ends and its means and, in particular, an activity which relates to *the development and implementation of new ideas concerning products, services, practices and models that simultaneously meets social needs and creates new social relationships or collaborations between public, civil society or private organisations, thereby benefiting society and boosting its capacity to act*” (European Union, 2021<sup>[6]</sup>).

**While invention may trigger traditional innovation, a social need is often the starting point for social innovation.** What separates social innovation from traditional innovation is that it does not start with the intention, but rather with the “problematism” (Neumeier, 2017<sup>[7]</sup>). A driver for traditional innovations is often profitability, while in contrast, social innovations often emerge despite the lack of commercial markets in which they can be sold to customers.

**Similar to traditional innovations, social innovations follow a non-linear process.** They are experimental and can benefit from digitalisation and technological developments (OECD, 2021<sup>[8]</sup>). Social innovation can play a role in both urban and rural areas, and it can be a powerful tool to fill public service gaps, experiment with new business models and create a stronger sense of community, particularly in rural areas (OECD, 2024<sup>[9]</sup>).

**Social innovation is distinct from technological and business innovation.** Technological innovation has traditionally been measured and advanced using a linear model, and typically connected to commercial ends (Adro and Fernandes, 2020<sup>[10]</sup>). Business innovation is profit-seeking in nature (Pol and Ville, 2009<sup>[11]</sup>) or geared towards competitive advantage (Dawson and Daniel, 2010<sup>[12]</sup>). However, recent crises have underscored the importance of flexible and responsive innovation systems, revealing gaps that need to be filled to improve system resilience and preparedness (OECD, 2021<sup>[13]</sup>). Thus, social innovations emerge despite the lack of commercial markets in which these innovations can be sold to customers. The value created by social innovation benefits society as a whole, rather than private individuals (Borzaga and Bodini, 2012<sup>[14]</sup>).

**Interest from countries in social innovation has been driven primarily by three factors:** i) the rise of “wicked” problems; ii) the lack of trust in both the market and the state to provide solutions for socioeconomic and environmental challenges; and, iii) the recognition that solutions must be locally embedded to be successful and sustainable (Suarez-Villa, 2012<sup>[15]</sup>). “Wicked” problems refer to complex challenges, such as ageing populations, skills shortages, loneliness, climate change, and migration. Solutions to address them often depend on local perceptions, practices, as well as cultures and might require collaboration, mobilisation of social capital and engagement, as well as social innovation.

## What are the main benefits of social innovation?

**One of the key benefits of social innovation is its ability to address gaps in public services, especially in underserved areas.** Many rural communities face geographic isolation, limited infrastructure, and dependence on a single industry. These challenges often result in inadequate public services, such as poor healthcare, education, or transportation. Social innovation helps fill these gaps by bringing together different stakeholders – local authorities, businesses, and non-profits – to co-develop solutions that improve residents' quality of life (OECD, 2024<sup>[9]</sup>). For example, mobile clinics provide healthcare to rural populations, allowing access to medical services that might otherwise be unavailable.

**Social innovation also introduces new and more effective ways of delivering essential services.** For instance, innovative educational models like blended learning and community-led tutoring help address disparities in education by leveraging technology and local partnerships. Similarly, alternative education methods, such as the Montessori approach, have transformed traditional learning structures to better suit students' needs. These innovations not only improve service accessibility but also enhance their quality and impact.

**Another crucial aspect of social innovation is that it empowers those most affected by social challenges to take part in decision-making processes.** When citizens contribute their knowledge and experience, they help shape solutions that directly impact their daily lives (Avelino et al., 2020<sup>[16]</sup>). This participatory approach was particularly evident during the COVID-19 pandemic when communities, businesses, and governments worked together to develop new service models, such as local support networks for vulnerable populations and innovative healthcare delivery methods (OECD, 2024<sup>[9]</sup>).

**By fostering partnerships between governments, businesses, non-profits, and individuals, social innovation enables coordinated action to tackle complex social issues.** Examples include community-driven initiatives like clean-up events, recycling drives, and volunteer mobilisation campaigns. These initiatives not only promote environmental sustainability but also raise awareness and encourage greater community involvement (OECD, 2024<sup>[17]</sup>). Additionally, microcredit schemes, which provide small loans to entrepreneurs who lack access to traditional banking services, exemplify how cross-sector collaboration can drive economic empowerment.

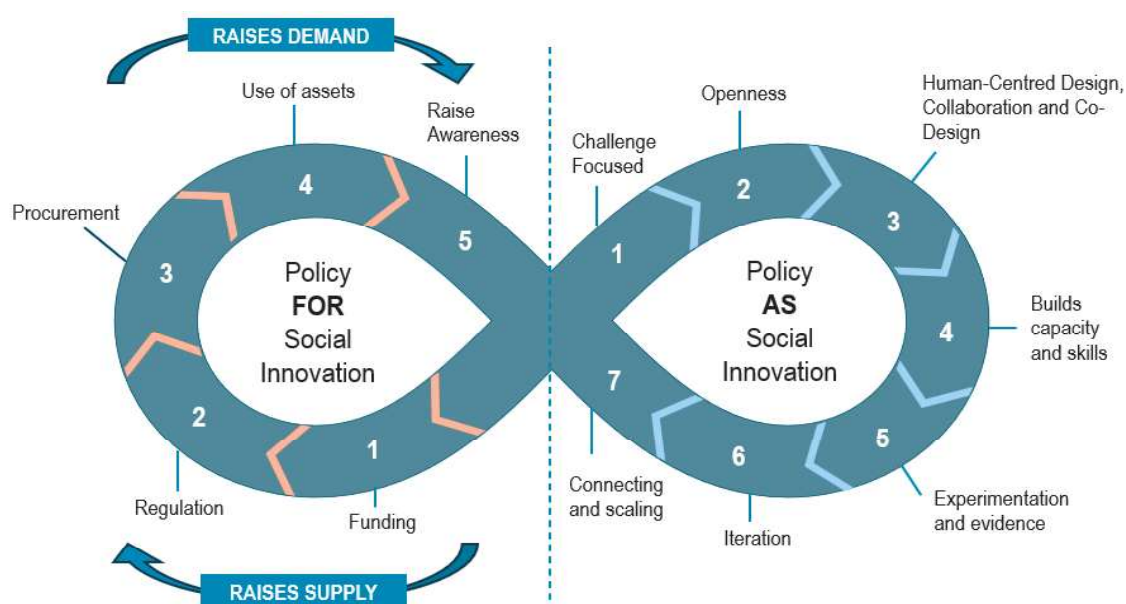
**Social innovation also plays a pivotal role in addressing environmental challenges by fostering collaborative solutions that integrate both social and environmental objectives.** By bringing together different stakeholders – authorities, local communities, businesses, non-profit organisations, social economy entities – social innovation facilitates the development of initiatives aimed at environmental conservation and sustainability. For instance, community-led projects focusing on reforestation and the restoration of natural habitats contribute to biodiversity preservation and enhance ecosystem services. Additionally, social enterprises that promote circular economy practices, such as recycling and upcycling, help reduce waste and mitigate environmental degradation. These initiatives not only address ecological concerns but also generate economic opportunities and strengthen community resilience, exemplifying the multifaceted benefits of social innovation in tackling environmental issues (OECD, 2024<sup>[9]</sup>).

## How can social innovation be used in policy?

There are two primary ways that social innovation can interact with policymaking:

- Policies that seek to support and promote social innovation (**policymaking “FOR” social innovation**) and ;
- Policies that seek to generate innovations themselves, solving social or environmental problems (**policymaking “AS” social innovation**) (Nicholls and Edmiston, 2019<sup>[2]</sup>) (see Figure 1.1).

Figure 1.1. Two strands of social innovation policy



Source: Reynolds, Gabriel and Heales (2017<sup>[18]</sup>).

**Social innovations can serve as laboratories for testing new ideas that can inform public policy** (Mulgan, 2006<sup>[19]</sup>). By providing solutions, social innovation initiatives can influence policy makers and contribute to more effective governance and trust. They can also encourage the adoption of innovative practices within the public sector. Public policy focuses on transformation to enhance the welfare and well-being of citizens. This dynamic approach parallels the principles of social innovation. When public policy engages with social innovation, partnerships and collaborations happen across various sectors. They often prioritise the process as much as the result and view participation as a means of empowering individuals (Hulgård and Ferreira, 2019<sup>[20]</sup>). More broadly, public policies that promote social innovation include enhancing competition among providers and supporting social innovation ecosystems, such as new funding sources inspired by market mechanisms like social impact bonds (OECD, 2016<sup>[21]</sup>).

**Two ripple effects can be expected, through social innovations that influence policymaking:**

- Scaling up and sustaining through more permanent policies: successful social innovations can be adopted and expanded through long-term government policies, enhancing lasting benefits. For example, pilot programmes for community-based healthcare may become permanent public health initiatives.
- Creating an enabling ecosystem with conditions that are conducive to social innovation initiatives and activities: policy makers can establish conditions that encourage social innovation, such as

funding opportunities, regulatory support, and cross-sector collaboration. A strong social innovation ecosystem makes it easier for new innovative ideas to emerge and succeed.

**The OECD Observatory of Public Sector Innovation (OPSI) has explored the role of social innovation in public administration.** Public services must tackle complex societal challenges by fostering innovation in their action (OECD, 2015<sup>[22]</sup>). In addition, a structured approach is required to foster and sustain innovation within the public sector, allowing the participation of all relevant actors (OECD, 2020<sup>[23]</sup>). Recent studies analysing trends in different countries provide insights into the role of social innovation as a key factor in transforming governance, improving public service delivery and addressing policy challenges (OECD, 2023<sup>[24]</sup>).

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## **2 Social innovation policymaking: National and European landscapes**

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This chapter analyses how governments across Europe leverage policy to create conducive environments for social innovation, from national frameworks to EU-level instruments. It highlights how Member States such as France, Germany, Italy, Portugal, and Luxembourg have integrated social innovation strategies into their national investment plans, sectoral reforms, and dedicated institutional structures. These efforts are complemented at the EU level through the European Social Fund (ESF) and its successor, ESF+, which allocate funding and provide incentives, such as co-financing priorities under Article 14—to scale promising initiatives in employment, social inclusion, digitalisation, and beyond. By integrating national and EU actions, policy makers have mobilised diverse actors—including public authorities, social enterprises, civil society, and the private sector—encouraging experimentation, collaboration, and scaling. This chapter maps these multi-level trends, offering insights into how structured policy frameworks can transform innovative approaches into sustainable solutions for complex societal challenges.

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**Social innovation has gained increasing prominence as a tool to address complex societal challenges across Europe, ranging from labour market integration to access to welfare services.** Through targeted policymaking for social innovation, governments can cultivate supportive environments that empower social entrepreneurs to provide the necessary conditions to develop and implement their innovative solutions. These policy efforts are formed at multiple levels, with both Member States and European institutions playing fundamental roles in designing frameworks, strategies, and funding mechanisms that foster social innovation.

## Social innovation policymaking at national level

**Social innovation is increasingly integrated into broader national strategies and plans in EU countries.** In France, Germany, Italy and Portugal, for instance, national efforts complement those at the European level by addressing country-specific needs and combining national contexts and priorities with policymaking for social innovation.

**France 2030 is a national investment plan that includes dedicated support for social innovation in strategic sectors.** Announced in 2022, the initiative aims to support France's economic transition by funding businesses, universities, and research organisations. Recognising the role of social economy enterprises in driving social innovation, France 2030 dedicates six funding calls specifically to these entities, focusing on critical areas such as training and integration. By aligning social innovation with broader economic and industrial objectives, France 2030 integrates social economy actors into the country's innovation landscape (CRESS Pays de la Loire, 2023<sup>[1]</sup>).

**Germany has developed a comprehensive National Strategy for Social Innovation and Social Enterprises to strengthen social innovation and support social enterprises.** The Strategy introduces 70 measures to enhance the ecosystem for social enterprises, recognising their role in job creation, but also in promoting sustainability, social inclusion, and climate-friendly practices. To further improve collaboration and learning, it also includes the creation of a Platform for Social Innovation to act as a central hub for resources and networking (Federal Ministry for Economic Affairs and Climate Action (BMWK) and Federal Ministry of Education and Research (BMBF), 2023<sup>[2]</sup>).

**Italy's National Strategy for Inner Areas – municipalities characterised by significant distances from essential public service** – is a targeted initiative to tackle depopulation and limited service access in rural regions. Launched during the 2014-20 ESF programming period, it addresses regional disparities by promoting economic recovery, job creation, and social inclusion in remote areas. By fostering social innovation projects in inner areas, the Strategy aims to reverse demographic decline and improve access to essential services, such as healthcare, education, and mobility (European Network for Rural Development (ENRD), n.d.<sup>[3]</sup>).

**Luxembourg has long played a pioneering role in advancing social innovation, demonstrating a sustained policy commitment over the past decade.** Since the establishment of a dedicated ministerial department for the social economy in 2009, Luxembourg has embedded social innovation as a core governmental mission (OECD, 2023<sup>[4]</sup>), further reinforced in 2024 through the creation of a unit for social and environmental issues within the Ministry of State. Most recently, in 2025, Luxembourg hosted the Global Government Summit, a high-level event convening international stakeholders to launch the Global Council for Social Innovation and adopt the Luxembourg Declaration (Gouvernement luxembourgeois, 2025<sup>[5]</sup>). These initiatives collectively position Luxembourg as a key actor in shaping global agendas for inclusive, sustainable, and innovation-driven economic development.

**Finally, Portugal is a good example of a country that has successfully developed national policies for and as social innovation.** The Portugal Social Innovation (PSI) initiative plays a key role in financing social innovation projects and fostering a sustainable social investment market. This entity centralises the

coordination of social innovation funds in mainland Portugal, streamlining the processes and support to innovative projects. During the 2014-20 period, it launched 18 calls for proposals, approved 693 projects, and impacted approximately 1.4 million people in Portugal, mobilising public funding alongside private investment to support innovative solutions in areas like education, employment, health, and community development (Fi-Compass, n.d.<sup>[6]</sup>). The nation-wide Portugal Participatory Budget illustrates a policy that acts as social innovation. The Budget combines digital tools and face-to-face interactions to facilitate inclusiveness, particularly for marginalised groups such as rural communities, to shape policy decisions that directly address their needs. By enabling citizens to propose and vote on public investment, this bottom-up model democratises policymaking, fosters social cohesion, and builds trust in institutions. Its adaptable and transparent design makes it a scalable model for innovative governance (Administrative Modernisation Agency, 2018<sup>[7]</sup>).

## Social innovation policymaking at European level

**At the European level, the ESF was the main tool for advancing social innovation across Member States in 2014-20.** Its continuation under the ESF+ for the 2021-27 programming period reflects a reinforced commitment to tackling emerging issues such as digitalisation, skills development, and social inclusion. Alongside the ESF+, other EU measures complement these efforts to support social innovation in Europe, such as the European Social Innovation Competition, the Network of Social Entrepreneurs and Innovators and the Social Innovation Catalyst Fund.

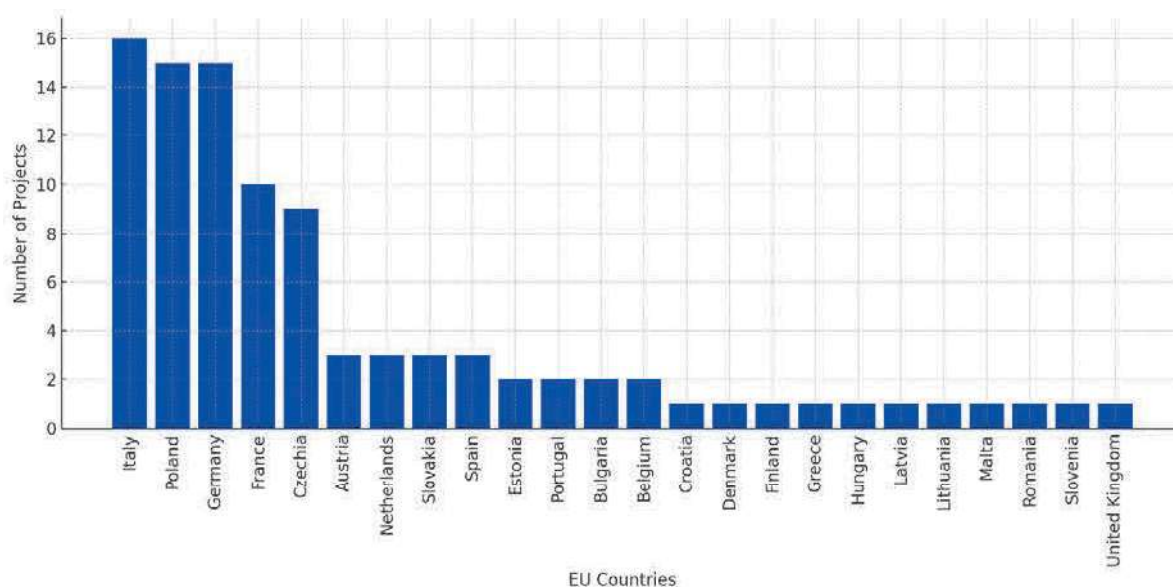
### *The ESF commitment to social innovation in the programming periods 2014-20 to 2021-27*

**During the 2014-20 programming period, the ESF's main priorities were to help people find employment or create businesses, improve education and make public services more efficient.** Other priority areas included supporting self-employment, enhancing a healthy work-life balance and improving life-long learning. The main target groups were disadvantaged young people, particularly those without school or vocational qualifications, the long-term unemployed, women and workers, particularly low-skilled or low-income workers, and people with a migrant background, especially those facing difficult personal circumstances (e.g. refugees) (European Commission, 2020<sup>[8]</sup>).

**A sample of 96 national evaluations selected by the European Commission shows that ESF-funded projects in 2014-20, some of which already had strong social innovation dimensions, covered a wide range of sectors and countries.** As illustrated in Figure 2.1, Italy, Germany, Poland, France and Czechia were the countries from the sample with the most numerous projects, while other Member States had fewer supported initiatives. Of the 96 projects evaluated, almost half were related to employment, in particular labour market integration, followed by social inclusion, education and social innovation (see Figure 2.2).

**Figure 2.1. Country breakdown of a sample of ESF-funded projects in the 2014-20 programming period**

Based on a sample of 96 project evaluations

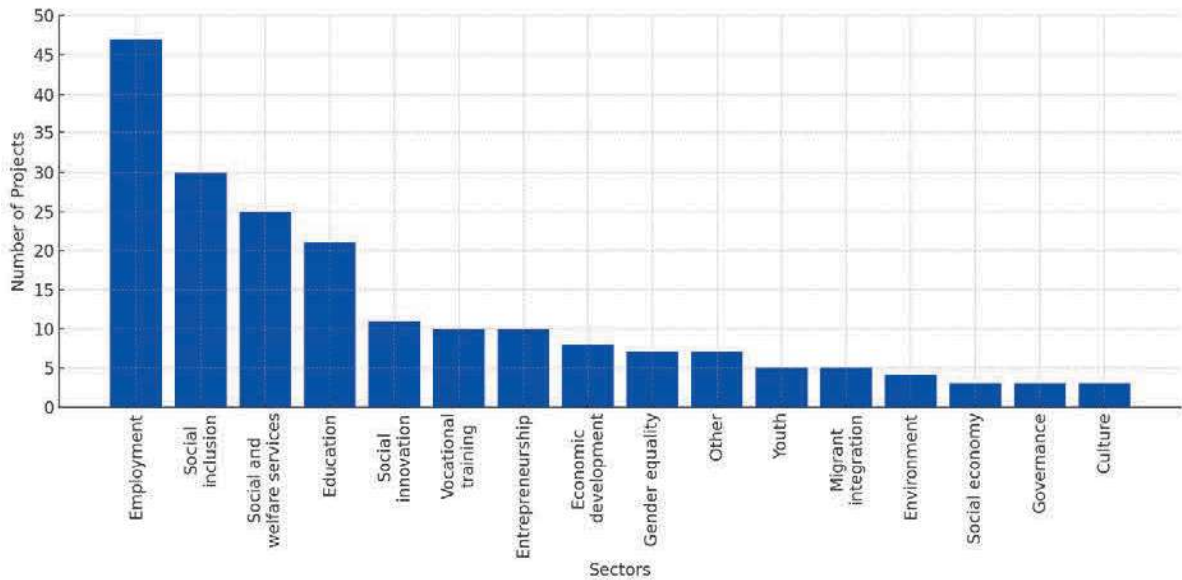


Source: Authors' own elaboration.

While the majority of the 96 selected projects were implemented at regional level, almost a third took place at national level. There were also local and transnational cases, with some projects spanning multiple levels of geographical coverage, which were categorised as “Other” in Figure 2.3. Geographical coverage of a sample of ESF-funded projects in the 2014-20 programming period based on a sample of 96 project evaluations.

**Figure 2.2. Sector breakdown of a sample of ESF-funded projects in the 2014-20 programming period**

Based on a sample of 96 project evaluations

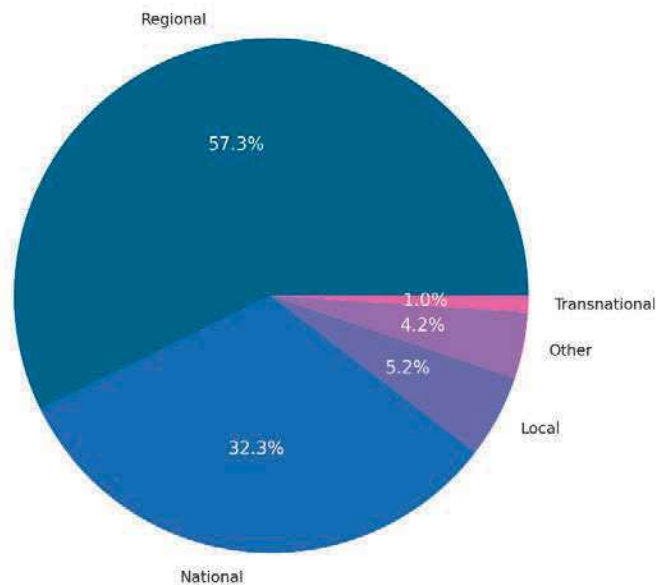


Note: The category "Other" refers to sectors with 2 or less projects, namely: digitalisation (2), financing (2), R&D (1), demographic change (1), and tourism (1).

Source: Authors' own elaboration.

**Figure 2.3. Geographical coverage of a sample of ESF-funded projects in the 2014-20 programming period**

Based on a sample of 96 project evaluations



Note: The category "Other" refers to projects that span multiple levels of coverage (e.g. both national and regional).

Source: Authors' own elaboration.

Although the 2014-20 ESF did not specifically target social innovation in the majority of Member States, some projects were already forward-thinking in terms of socially innovative solutions to address unmet social needs. Some of them sought to leverage new approaches, collaborations, or technologies to achieve positive impacts, and went beyond traditional solutions by engaging communities and fostering inclusion. In particular, 16 of the 96 selected projects were identified as good practices in social innovation and are summarised in Table 2.1. These cases are further developed in Annex A together with organigrammes illustrating, for each country, *who does what* at national level and how ESF-funded projects are managed.

**Table 2.1. A selection of socially innovative projects under the 2014-20 ESF programming period**

Country	Project	Unaddressed needs and implemented social innovations	How did ESF help?
Austria	Addressing structural inequalities in the labour market	The project focuses on labour market inequalities in SMEs, focusing on gender, age, and education gaps. It promotes equal pay, leadership for women, workplace inclusion, and bias-free processes through pilot projects and regional collaborations.	By funding pilot projects, consulting services, and stakeholder coordination, ESF helped engage 1000+ companies, supported sector-specific initiatives, facilitating long-term impact.
Czechia	Pilot micro-nurseries	A lack of affordable childcare prevents many parents, especially mothers, from working. The initiative introduces micro-nurseries for children as young as six months, offering small-group care that supports work-life balance and family stability.	ESF funded 62 micro-nurseries, covering infrastructures, staff and operational costs. It also supported pilot programmes, stakeholder training, and collaboration to facilitate long-term continuity.
Estonia	The Adaptation and Integration Measure	Estonia's migration dynamics create challenges for integration, with new immigrants and less-integrated residents facing linguistic, cultural, and social barriers. The project uses modular language courses, cultural immersion, and digital platforms to enhance adaptation, aligning services with regional needs and migration trends.	ESF funded multilingual platforms, welcome programmes, and integration courses. It also supported capacity building for service providers and mid-term evaluations to improve efficiency and continuity.
France	(1) Taking social innovation into account in the ESF's national operational programmes and (2) Strengthening employment and social inclusion	France addresses regional disparities and long-term unemployment by implementing social innovations such as one-stop service hubs and employment-purpose companies. Additionally, initiatives support female entrepreneurs and migrants to enhance social inclusion.	The ESF funded over 100 projects between 2017 and 2019 with approximately EUR 38 million, facilitating the development of innovative local inclusion measures. It also supported childcare services and career guidance programmes to improve employment access for vulnerable groups.
Germany	Reducing apprenticeship dropouts in geriatric care in Bavaria	High dropout rates in geriatric care apprenticeships, driven by demanding schedules, financial constraints, and lack of support, deepen workforce shortages in Bavaria. The initiative introduces socio-pedagogical support, which involves providing apprentices with individual and group guidance to help them navigate personal and structural challenges. It also improves talent retention and workforce stability.	ESF funding enabled the integration of socio-pedagogical roles in vocational schools, which involved dedicated mentors who provided personalised support sessions and facilitated stakeholder coordination to enhance training quality and reduce dropouts.
Italy	(1) Active labour market policies for women, (2) Inclusion of trafficking victims in Piemonte, and (3) Integrating vulnerable groups into the labour market in Tuscany	To address the persistent gender gap in Italy's labour market, a national project introduces professional training programmes, work-life balance seminars, and collaborations with businesses to implement flexible working arrangements. In Piemonte, a regional project focuses on the inclusion of trafficking victims, particularly Nigerian women, by providing Italian language courses, skills training, and incentivising the industrial sector to employ these women. Tuscany's regional project aims to integrate vulnerable individuals, such as	The national project received EUR 1.5 million in ESF funding, which facilitated the implementation of training programmes, work-life balance initiatives, and pilot projects, enabling a coordinated approach among stakeholders. Piemonte allocated EUR 1 million from the ESF to strengthen the self-sufficiency and employability of trafficking victims, supporting programmes that offered practical skills and employment opportunities outside of prostitution. Tuscany's initiative was supported by EUR 7.8 million in ESF funding,

		those with disabilities or from disadvantaged socio-economic backgrounds, into the labour market through tailored employment pathways and collaborations between public and private stakeholders.	allowing for the development of individualised employability plans and extensive collaboration between social service organisations, local authorities, and businesses to integrate vulnerable individuals into the labour market.
Netherlands	Sustainable employability regions and sectors	The Netherlands faces challenges such as demographic shifts and sector-specific issues like burnout. The project innovatively promotes health and safety practices to improve work environments and enhance labour mobility in regions through cross-sector collaboration.	ESF funding supported research, training, and policy development, such as by creating guidelines for adapting working hours to employees' needs and establishing structured onboarding programmes for new hires from underrepresented backgrounds. The funding also facilitated partnerships and long-term cultural shifts, helping companies meet their goals and continue interventions beyond the project's duration.
Poland	Long term care in rural areas	The project addresses the urgent need for accessible, tailored care services for chronically ill people in rural Poland. The demographic trend of an ageing population, coupled with depopulation and weakened family structures in rural areas, has resulted in substantial care deficits. Older people often live alone without nearby relatives or support, and those who act as caregivers are often elderly or unwell themselves.	The ESF played a critical role in providing essential funding, fostering cross-sector collaboration, and supporting the development of an integrated approach to long-term care in Polish rural areas. It enabled the innovation to be piloted and implemented across 21 entities operating in 13 voivodeships. ESF support was instrumental in facilitating training, service provision, coordination mechanisms, and scientific evaluation.
Portugal	Portugal Social Innovation initiative (PSI)	The PSI addresses rising social, including gaps in employment and public services, by promoting social innovation and entrepreneurship, including through innovative financial tools, which link funding to measurable outcomes and private co-funding for social projects.	With ESF funding, the initiative developed tools, training programmes and financed human resources that enhanced social economy organisations' capacity and introduced new financial models.
Slovak Republic	Human Resources Operational Programme	The programme tackles labour market integration and social inclusion, for youth, as well as marginalised, and unemployed individuals. It offers socially innovative solutions such as youth job guarantee centres, self-employment programmes, and a social housing system aimed at improving life quality and reducing inequality.	ESF financed over 2 400 projects, enabling targeted initiatives like youth employment and social inclusion of marginalised communities, particularly Roma. It also facilitated collaboration among municipalities and non-governmental organisations (NGOs) to address systemic inequalities.
Spain	(1) Operational Programme for Social Inclusion and Social Economy (POISES), and (2) Murcia ESF Operational Programme (Axis 6)	The national POISES programme addresses poverty and social exclusion among vulnerable groups, including women, people with disabilities, and the Roma community, through initiatives like Dinovar and Acceder. In the Murcia region, the Euroempleo programme and the Local Participatory Development Pact targets unemployment and social exclusion, focusing on individuals with mental health issues and promoting women's participation.	ESF funding allocated EUR 2.96 billion to Thematic Objective 9, with POISES receiving 34.3% to support social innovation and inclusion projects. Murcia's ESF Operational Programme received EUR 112.9 million, facilitating the implementation and continuity of the Euroempleo programme and participatory local initiatives.
Trans-national	Interreg Alpine Space Programme	The Alpine region faces significant challenges such as an ageing population, economic disparities, and limited service provision. The programme fosters social innovation through cross-border collaborations, supporting inclusive growth, job creation, and climate change resilience, with a focus on sustainable energy and low-carbon initiatives.	ESF funding supported projects focusing on education, skills development, and employment. It supported regional growth by focusing on infrastructure improvements while addressing social and workforce needs.

Note: This table summarises case studies from a sample of 96 projects selected by the European Commission to illustrate social innovation good practices implemented during the 2014-20 ESF programming period. These cases are presented in detail in Annex A.

Source: Authors' own elaboration.

**The 2014-20 ESF has been reformed as European Social Fund Plus (ESF+) for the 2021-27 programming period to address other emerging challenges such as digital transformation, skills development, and social inclusion.** These updates have aligned the Fund more closely with the EU's

broader strategy for sustainable and inclusive growth, facilitating that resources are directed towards innovative projects that tackle contemporary social issues (European Commission, 2025<sup>[9]</sup>). By financing a wide diversity of initiatives ranging from community development programmes to advanced training schemes, the ESF+ plays a pivotal role in fostering social innovation in the EU (see Box 2.1).

### Box 2.1. A stronger European Commission commitment to social innovation through the ESF+

**The ESF+ groups previous instruments, including the European Social Fund (ESF), the Youth Employment Initiative (YEI), the Fund for European Aid to the Most Deprived (FEAD) and the Employment and Social Innovation Programme (EaSI).** The ESF+ implements the European Pillar of Social Rights, focuses on high employment levels and equal opportunities, while the ESF 2014-20 focused on quality employment, vocational training and social inclusion. Social innovation is a key element in the 2021-27 programming period, supported under both shared management (e.g. programme priorities and increased co-financing rates) and direct/indirect management (e.g. the ESF+ Social Innovation Plus Initiative under the EaSI strand), aiming to foster synergies throughout the social innovation lifecycle.

**The budget – including national co-funding – for the ESF+ 2021-27 is EUR 141.7 billion (in current prices) compared to EUR 84 billion (in 2011 prices) allocated for the 2014–20 period.** Most ESF+ budget is implemented in shared management mode, where Member States manage the funds, and the European Commission plays a supervisory role. Additionally, the EaSI strand, with a budget of EUR 762 million, is directly managed by the Commission. A further EUR 132 million from the shared management strand is implemented under indirect management to support transnational cooperation through the ESF+ Social Innovation Plus Initiative. Subject to the Commission's approval, Member States determine spending priorities in the management domain. Countries may implement regional programmes, one or more national programmes, or a combination of both. They may also opt for multi-fund programmes that integrate ESF+ with other funds such as the ERDF.

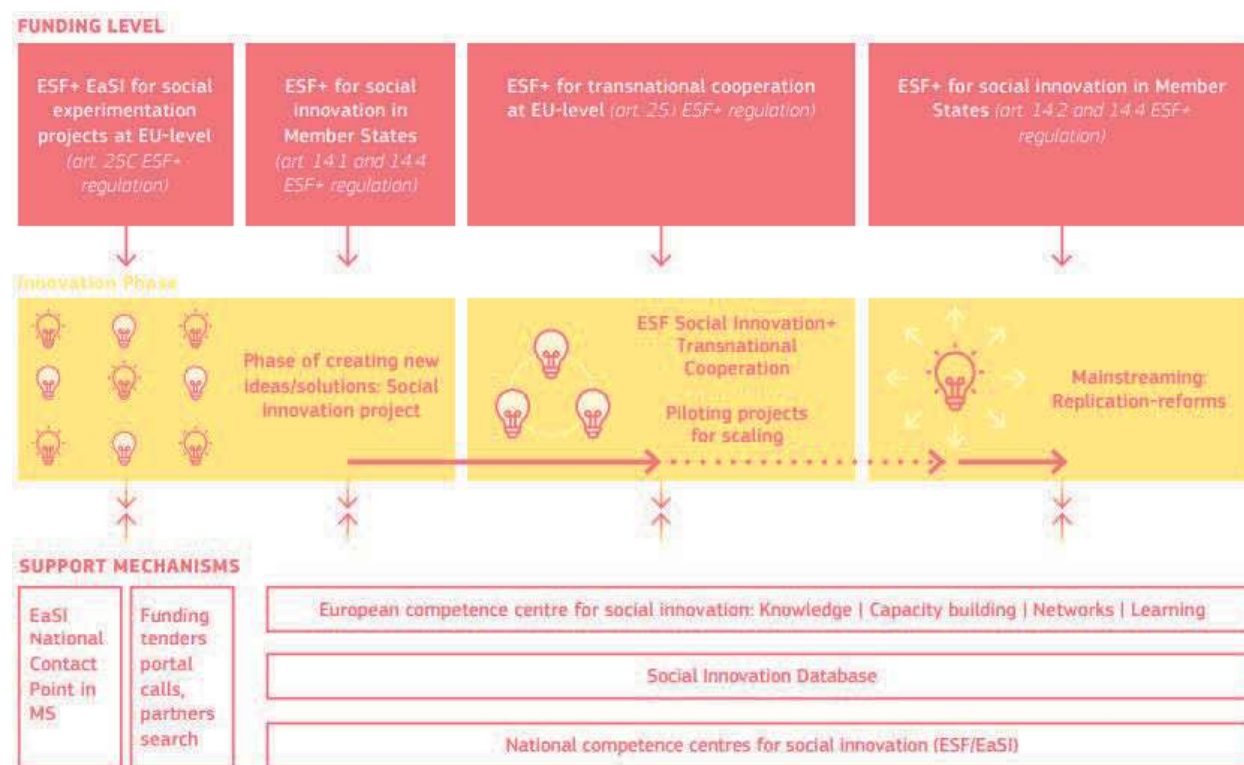
**The implementation of ESF+ shared management strand is supervised by Managing Authorities, which may be regional or national entities.** These authorities are frequently EU Funds Managerial Departments of Member States' ministries and regions. Their main duties include disseminating information about the programme, the selection of projects and enabling effective monitoring and evaluation.

Source: European Commission (2025<sup>[10]</sup>), Lecerf (2019<sup>[11]</sup>) and European Commission (2015<sup>[12]</sup>).

**The ESF+ introduces a new requirement for Member States to allocate at least one priority to social innovation.** Article 14.4 of the ESF+ Regulation acts as a strong financial incentive, allowing Member States to claim 95% of EU co-financing for socially innovative projects. Although this co-financing is limited to 5% of the total national ESF+ resources, social innovation can be promoted beyond this 5% ceiling with different co-financing rates. For example, Finland has chosen to focus on child welfare in the 2021-27 ESF+ programme, following a series of child protection failures (including child deaths) that were widely covered by its national media. With the implementation of a new National Child Strategy, ESF+ has been an opportunity for Finland to pursue social innovation in this field (European Commission, 2022<sup>[13]</sup>). Similarly, Czechia has focused on Housing First projects in the previous programming period (2014-20). During the ESF+ 2021-27 programming period, the Czech Managing Authority has opened two types of calls for Housing First projects under the ESF+ Employment Programme: incubation projects and multiplier projects. These new calls seek to scale up and improve the use of Housing First principles across the country (European Commission, 2022<sup>[13]</sup>). This requirement makes sure all EU Member States have at least one regional or national dedicated programme to social innovation to promote it across countries.

The ESF+ also creates a more favourable European ecosystem by increasing support for both social experimentation and social innovation. The new legal framework covers both the “ESF+ strand” (shared management with Member States and regions) and the “EaSI strand – Employment and Social Innovation” (direct and indirect management by the European Commission). This allows for greater complementarity between the two instruments and new mechanisms to better support the use and upscaling of social experimentations (European Commission and Ledan, 2022<sup>[14]</sup>). As shown in Figure 2.4, all phases of social innovation are therefore supported more consistently.

Figure 2.4. Architecture of the 2021-27 ESF+ scheme to promote social innovation



Source: European Commission and Ledan (2022<sup>[14]</sup>).

The Employment and Social Innovation (EaSI) strand specifically supports social experimentation through calls closely aligned with EU policy priorities on employment and skills, labour markets and labour mobility, social protection and active inclusion, and working conditions. Under Article 25 of the ESF+ Regulation, EaSI encompasses ten operational objectives. Two of these objectives – 25(c) on social experimentation and 25(i) on the acceleration of scaling up and transfer of social innovations – are directly pertinent to social innovation initiatives, such as those facilitated through the Social Innovation Plus scheme managed by the European Social Fund Agency (ESFA). For instance, Luxembourg actively participates in the European Social Innovation Alliance (under the call of the ESFA), a transnational initiative aimed at establishing National Competence Centres for Social Innovation across Member States. The remaining eight operational objectives support activities that promote evidence-based policymaking and mutual learning. Additionally, EaSI funds communication and dissemination efforts, including peer reviews, exchange of best practices, and benchmarking exercises, to foster mutual learning among stakeholders (European Commission, 2025<sup>[15]</sup>). For the 2021-27 programming period, the EaSI strand's total envelope is EUR 762 million.

**Within the ESF+/EaSI strand, the ESF Social Innovation Plus Initiative facilitates the transfer and upscaling of innovative solutions.** With a total budget of EUR 142 million, partly transferred from the shared management strand and complemented with budget from the EaSI strand envelopes, it is implemented through various activities for ESF+ Managing Authorities and relevant stakeholders (mutual learning, capacity building, networking). These include transnational calls for proposals (five calls published in 2021-24), two networks (ALMA Network and EU ROMA Network), and five Communities of Practice (employment, education and skills; social inclusion; social innovation; migrant integration; and material support). The initiative also collects, assesses, develops, validates, and disseminates examples of social innovation to be included in the Social Innovation Match (a database developed to help social innovation stakeholders promote and find good practices as well as to identify organisations acting in the social innovation field).

**The projects selected under the transnational calls are intended to facilitate the transfer and scaling up of social innovations.** This work stream covers several types of actions, ranging from the design and validation of tested approaches to the roll-out of validated models across Europe, or the use of social innovation support to help organisations improve their capacities (European Commission, 2025<sup>[16]</sup>).

**Created to manage the Social Innovation Plus Initiative, the European Competence Centre for Social Innovation provides mutual learning, capacity building and networking activities for ESF+ Managing Authorities and other relevant stakeholders.** It is also responsible for collecting, assessing, developing, validating and disseminating suitable tools and methods for social innovation, such as the European Social Innovation Database. In addition to continuing the work of the Community of Practice on Social Innovation, the Centre facilitates five additional Communities of Practice covering key ESF+ policy themes: employment, education and skills, social inclusion, migrant integration, material support, and results-based management. This structure reflects the cross-cutting nature of social innovation and promotes the exchange of innovative approaches across various policy areas. The Centre collaborates closely with National Competence Centres for Social Innovation to strengthen the social innovation ecosystem across Europe. (European Commission, 2025<sup>[16]</sup>).

**Competence Centres for Social Innovation at the national level cultivate networks, build capacities and synergies, spotlight efficiencies and develop tools to grow social innovation.** Six consortia – covering 25 EU countries (see Figure 2.5) – investigate national ecosystems for social innovation to better understand the starting point in each country. This includes mapping key stakeholders, such as project promoters, funders and support organisations, their expertise and capacity building needs. Each consortium is asked to carry out a scale up or replication test of a promising social innovation (European Commission, 2025<sup>[17]</sup>).

Figure 2.5. National Competence Centres on social innovation



Source: European Commission (2025<sub>[17]</sub>).

**The Community of Practice on Social Innovation aims to strengthen Member States' capacity to implement and deliver on social innovation under the ESF+.** In addition to facilitating the exchange of best practice for programming the social innovation priority in ESF+ programmes, activities include promoting networking between National Competence Centres, ESF bodies and other relevant stakeholders, as well as building capacity to map social innovation ecosystems and design National Competence Centres (European Commission, 2025<sub>[18]</sub>). Community members are also involved in the following projects:

- **Peer Pioneers** brings together Managing Authority officials, ESF stakeholders who worked on social innovation in the 2014-20 programming period and those who were at the forefront of designing ESF+ programmes. Members draw on lessons from top-performing Managing Authorities on social innovation and consider how they could apply these plans and indicators to their own challenges and opportunities (European Commission, 2025<sub>[18]</sub>);
- **Community-Led Local Development** provides evidence of its successful use as an approach that captures social innovation at the local level. It focuses on pitfalls to avoid, challenges identified by Managing Authorities and capacity building needs, building on the experience of the ESF+ and other EU programmes (European Commission, 2025<sub>[18]</sub>);
- **Beyond Innovation** develops a more systematic evidence-based approach in planning, implementing and assessing social innovation. By revising existing ESF social innovation projects, it identifies approaches and key elements to facilitate the scaling-up and transferability of promising social innovation projects (European Commission, 2025<sub>[18]</sub>); and
- **Competence Centres for Social Innovation** (see above).

### ***Other EU initiatives complementing the ESF+ in support of social innovation***

**The European Innovation Council (under the Horizon Europe) organises the annual European Social Innovation Competition to help innovators develop their ideas into working solutions and facilitate networking.** It aims to raise awareness of social innovation among wider audiences and inspire

the creation of new socially innovative ideas. It also encourages cross-sectoral cooperation by being open to non-profit and for-profit organisations (such as entrepreneurs and social enterprises), non-governmental organisations, civil society organisations, educational institutions and universities. In 2024, the theme of the Competition was dedicated to “Social Innovation in Digital Democracy” (European Innovation Council, 2025<sup>[19]</sup>).

**The European Social Innovation Competition created a funding toolkit to help early-stage social innovators get their projects off the ground.** It provides simple steps for social innovators and early-stage start-ups to follow and breaks down the different funding opportunities available to them. The toolkit differentiates itself from others by specifically focusing on early-stage social innovators and young start-ups, enabling those who are still formulating business models and plans to benefit from information and guidance (European Innovation Council, 2021<sup>[20]</sup>).

**The European Innovation Council also launched the Network of Social Entrepreneurs and Innovators to directly connect social innovators with entrepreneurs.** It supports learning and cooperation activities between its members and helps them bring their innovative solutions to the market, which in turn can lead to new funding opportunities. Each year, finalists of the European Social Innovation Competition are invited to become active members of the Network (European Innovation Council, 2025<sup>[21]</sup>).

**Since 2022, the Social Innovation Catalyst Fund has been specifically dedicated to replicating and scaling successful social innovations.** The initiative aims to capitalise on the under-utilised stock of existing successful social innovations, helping local or regional projects to achieve impact on a continental scale. It also seeks to empower citizens, local communities, social innovators and entrepreneurs by allowing them to become champions of the green transition (European Union, 2021<sup>[22]</sup>).

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# 3

## Existing levers and policy orientations for future ESF support to social innovation

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This chapter introduces the “3S” framework—Start, Scale, Sustain—a tool to amplify the impact of the European Social Fund (ESF) on social innovation. Drawing on expert consultations and 16 case studies from the 2014–2020 period, it explores each phase in detail. **Start** presents existing tools such as seed funding, innovation labs, awards, research and development initiatives, and collaborative platforms. It also proposes levers such as preparatory grants, multi-stakeholder engagement, tiered payment models, academic partnerships, and dedicated incubator networks.

**Scale** focuses on mechanisms such as growth financing, capacity building, transnational cooperation, policy integration, and ecosystem strengthening. Recommendations include improved impact measurement, hybrid funding models, digital technology integration, and avenues for internationalisation. **Sustain** addresses long-term viability through enabling policies, responsible procurement practices, institutional embedding, public recognition, and stable financing frameworks. The chapter examines the expansion of municipal roles, aligning social innovation with digital and green transitions, and using social innovation to foster social cohesion.

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This chapter presents existing levers for social innovation in the EU and provides policy orientations to guide future support under the European Social Fund. The content is organised under three sections:

1. “**Start**” social innovation experiments
2. “**Scale**” successful social innovation
3. “**Sustain**” social innovation impact over time

Each section is divided into two sub-sections on existing levers and policy orientations. These orientations are based on insights from consultations and focus groups with ESF experts and other relevant stakeholders from EU countries. It also draws on the 16 case studies identified as good practices in social innovation during the 2014-20 ESF programming period, which are presented in detail in Annex A.

## Start – Social innovation experiments in response to social challenges

**Social innovation experimentation helps policy makers and practitioners test new solutions to social challenges on a small scale.** By doing so, they can gather evidence on what works before implementing wider reforms. This section describes the existing levers for social innovation experimentation and outlines policy orientations to strengthen experimentation under future ESF support.

### Existing levers

#### *Funding for social experiments*

**Dedicated funding for experimentation, such as grants and seed capital, helps social innovations and social entrepreneurs test pilot projects.** This funding is often implemented by EU institutions, national, regional, or local governments, philanthropic foundations, and non-governmental organisations. For example, the EU’s EaSI programme (2014-20) launched seven calls, financing more than 40 social experimentation projects to incubate innovative ideas (European Commission and Ledan, 2022<sup>[1]</sup>). They spanned across several themes from integrated delivery of social services to fast-track integration for third-country nationals into the labour market, with successful projects such as “PACT: ProActive Case-based Targeted for social inclusion” (Castilla y Leon, Spain) and “ALMIT: Acceleration of Labour Market Integration of Immigrants Through Mapping of Skills And Trainings” (Bulgaria).

#### *Innovation labs and incubators*

**Innovation labs, hubs and incubators provide supportive environments for social innovators to design, prototype and refine ideas.** This support includes mentorship programmes, co-creation workshops, networking opportunities and testing grounds, which can be provided by the public-sector innovation labs, universities, research centres, non-profit incubators and accelerators. For instance, Social Impact Lab is an innovation incubator in Germany that is fully dedicated to social innovation, providing an enabling environment for social entrepreneurs and innovators. Established in 2011, it remains active in 2025 as a multi-city network of innovation hubs focused on developing new solutions to societal challenges. Each lab offers comprehensive support to social innovation projects, serving as a hotspot for social innovation in the startup community. Key features of the lab’s supportive environment include mentorship and training, networking and testing grounds to give social startups a safe space to prototype solutions and iterate with feedback before scaling up (The Social Impact Lab, 2025<sup>[2]</sup>). Poland is another example of a country that has set up a network of social incubators to actively support innovators developing socially innovative ideas, such as the Ideas Incubator (Inkubator Pomysłów, 2025<sup>[3]</sup>).

### *Competitions and awards*

**Competitions and awards help to crowdsource innovative ideas and encourage entrepreneurship by rewarding best projects with funding and recognition.** These contests can be hosted by EU agencies, national ministries, foundations and companies, with increased visibility for participating social innovators and entrepreneurs. For example, the annual EU Social Innovation Competition awards EUR 75 000, EUR 50 000 and EUR 25 000 in funding for the first, second, and third top social innovators, respectively, offering a space to showcase new ideas addressing unmet societal needs and encourage social experimentation. The competition is open to a variety of participants, including entrepreneurs, social enterprises, non-governmental organisations, civil society organisations, educational institutions, among others. It centres on a specific theme each year, with the most recent edition in 2024 focusing on social innovation in digital democracy (see Box 3.1) (European Innovation Council, 2025<sup>[4]</sup>).

#### **Box 3.1. The 2024 European Social Innovation Competition**

The theme of the 2024 edition of the European Social Innovation Competition was social innovation in digital democracy, with the following projects being awarded first, second, and third place:

**“Cultivating Civic Habits” by Sabiedribas Lidzdalibas Fonds (Latvia):** Aimed at enhancing civic skills among young people aged 14-18, this initiative empowers them to make informed decisions as responsible citizens in a diverse democratic society. The project offers an interactive app with daily civic activities based on real-life scenarios to foster engagement and competence.

**“Live Agora” project by Stichting TAAT (Netherlands):** Live Agora is a digital platform that fosters collaboration and co-creating among users, utilising a decentralised community-centred approach. The platform supports users retain full control over their data and interactions, promoting an innovative approach to digital democracy.

**“The Newsroom” by Título Alternativo LDA (Portugal):** Striving to advancing digital democracy, The Newsroom tackles disinformation, connects democratic actors, and empowers civil society using innovative and inclusive technology.

The three projects became part of the Network of Social Entrepreneurs and Innovators (NESEI) Group, a platform created by the European Innovation Council Community to provide business development and networking opportunities for EIC-funded organisations and other key stakeholders. Through NESEI, participants gain access to matchmaking events, training bootcamps, workshops, and a wider European innovation network.

Source: European Innovation Council (2025<sup>[5]</sup>).

### *R&D programmes*

**Integrating social innovation into R&D agendas enables funding for in-depth studies, pilots and data collection to understand and experiment with evidence-based solutions.** This happens across European R&D programmes, national research councils, universities, think-tanks, social R&D labs, fostering collaboration between policy makers and practitioners on experimental projects on social innovation. For example, in Sweden, Vinnova, the Governmental Agency for Innovation Systems, funds research on social innovation models in multiple areas, such as digitalisation, climate resilience, social

housing and sustainable cities. The agency also coordinates strategic initiatives, collaborating with actors across sectors to strengthen Sweden's innovation capacity (Vinnova, 2025<sup>[6]</sup>).

### *Collaborative platforms*

**Collaborative platforms such as communities of practice and online hubs facilitate knowledge exchange, partnerships, and co-creation, ranging from EU-wide networks, national social innovation forums to online communities, social enterprise coalitions, and public agencies.** The “Green At You” project exemplifies how collaborative platforms can drive social innovation by uniting diverse stakeholders to co-create inclusive solutions for the green and digital economy. Funded by the ESF+, this transnational initiative brings together NGOs, universities, social enterprises, and training providers across Europe to design and pilot micro-credential training modules tailored for women, migrants, and the long-term unemployed. By aligning with EU competence frameworks such as EntreComp, GreenComp, and DigComp, the project fosters mutual learning and capacity building among partners, ensuring that the developed solutions are both innovative and scalable. Through its emphasis on networking and shared expertise, “Green At You” demonstrates the pivotal role of collaborative platforms in advancing social innovation within emerging sectors (EU Funding & Tenders Portal, 2025<sup>[7]</sup>).

### **Policy orientations**

#### *Identifying “blind spots”*

**Including “blind spots” criteria in future ESF programming and monitoring could help widen the scope of and track progress in social innovation experimentation in underserved regions.** “Blind spots” refer to areas where social innovations do not occur, due to multiple factors such as limited awareness, lack of funding, regulatory constraints, or weak civil society structures. Identifying these areas can help social innovation reach communities most in need. Mapping social challenges through both quantitative data (e.g. demographic trends, employment statistics) and qualitative information (e.g. community consultations), can help policy makers and Managing Authorities pinpoint these gaps and target interventions.

**Member States could report on ways by which they address gaps in social innovation support.** Incorporating indicators for coverage (e.g. number of new social experimentations in previously unsupported regions or sectors) could create incentives to focus on blind spots. Monitoring the geographic and thematic scope of ESF-funded social innovations can encourage knowledge transfer to lagging regions.

**In Czechia, the Pilot Micro-Nurseries project provides a good example of a targeted approach in underserved regions to address critical gaps in early childhood education and care** (see Annex A. Pilot micro-nurseries in Czechia). The project responded to the significant decline in public childcare facilities since 1989, which left some regions, such as the Liberec region, with no accessible services. By prioritising the establishment of micro-nurseries in underserved areas, the project identified and addressed unmet social needs, facilitating families' access to affordable and professional childcare in these regions.

#### *Involving many stakeholders from the experimentation phase*

**Encouraging and incentivising multi-stakeholder social innovation consortia to co-design solutions could enhance the likelihood of replication.** Broad partnerships, including socially driven entities, local governments, businesses, and community groups, can help generate innovative and practical solutions. Collaborations between grassroots initiatives, which provide local insights, and larger organisations, which offer resources, can create a strong foundation for social innovation. Early cooperation with Managing Authorities is also particularly beneficial, as it increases the potential for social

innovation projects to be successful. This collaborative approach involves consulting target groups to identify issues and pilot testing solutions, thereby ensuring that innovations are both locally relevant and scalable.

**For example, an ESF project seeking to enhance skills training for the long-term unemployed could gather inputs from unemployed individuals and their representative organisations.** Engaging them early fosters buy-in and results in user-centred interventions that are more likely to succeed. Co-design can also be achieved through steering committees or “living labs” during ESF projects, where partners review progress, adjust experiments, and address barriers. Such multi-stakeholder engagement from the start facilitates smoother mainstream adoption, as partners are already aligned and committed to the innovation's success.

**Portugal Social Innovation initiative (PSI) highlights the importance of involving diverse stakeholders such as public authorities, social economy entities, and private investors, in the experimentation phase** (see Annex A. Portugal's Social Innovation Initiative). Partnerships for Impact (PFI) by PSI initiative promotes private co-funding for social innovation projects, showcasing collective efforts to address social issues. Portugal's Social Innovation Mission Unit (EMPIS) supports these initiatives by fostering cross-sector collaboration, enhancing the continuity and impact of the projects through diverse expertise and resources.

### *Securing greater recognition from public authorities*

**Social innovations could be recognised as services contributing to the general interest.** This could help unlock access to public funding typically reserved for traditional public services. By broadening this definition, public authorities could provide support for innovative solutions to scale and sustain their impact. The ESF could establish guidelines to classify eligible social innovations and introduce dedicated funding streams to enable tailored support for initiatives addressing pressing societal challenges. Regular dialogues, joint workshops, and collaborative platforms can foster understanding and incorporate innovative ideas into public policies. The ESF could also support capacity-building programmes that equip both social innovators and public officials with skills for effective collaboration, enhancing innovation integration into policy frameworks.

**Demystifying social innovation can further enhance its acceptance.** Social innovation is often perceived as very theoretical, which deters public authorities from engaging in it and providing support. A “learning by doing” approach, where policy makers participate directly in the innovation process, can make it more accessible. The ESF could further support this by funding pilot projects that involve public authorities in design and implementation, allowing them to experience the process firsthand. Additionally, creating peer-learning networks within the ESF can help public officials share experiences and best practices, fostering a practical understanding of social innovation across Member States.

### *Improving ESF payment timeliness*

**Small entities engaged in social innovation often face significant cash flow constraints.** Lengthy disbursement processes for ESF grants can hinder innovative projects. The ESF could consider adopting a tiered funding release system to align disbursement speed with the size and capacity of recipient organisations. This would facilitate that smaller entities receive funds promptly, reducing financial barriers and fostering an inclusive innovation ecosystem.

**The ESF could provide advance payments for micro and small organisations to support experimentation initiatives, allowing them to start projects without securing interim financing.** This would reflect the ESF's commitment to grassroots innovation and diversifying solutions to social challenges. By tailoring funding procedures to the needs of smaller entities, the ESF could create a more equitable support system, reducing financial barriers and enriching the social innovation landscape.

**In the Netherlands, the Sustainable Employability Regions and Sectors project linked ESF disbursement to the size of social innovation structures** (see Annex A. Sustainable employability in regions and sectors in the Netherlands). The project effectively tailored ESF support to organisations of different sizes, allowing smaller entities to receive timely resources and address employability challenges. Its focus on workshops, campaigns, and coaching offered accessible solutions for improving HR practices. The project aligned funding procedures with the capacities of participating companies and reduced financial barriers for active engagement from smaller firms.

### *Introducing preparatory grants*

**Introducing preparatory grants within the ESF framework could significantly enhance the capacity of small organisations to engage in social innovation.** These grants would provide resources for the design and planning phases of innovative projects, helping organisations with limited personnel and funding to analyse societal challenges and develop solutions. By covering costs for research, stakeholder engagement, and preliminary testing, preparatory grants would enable smaller entities to engage more actively in social innovation initiatives.

**The ESF could also envisage implementing regranting application rounds.** In this model, experienced organisations with a successful track of ESF funding would apply for larger grants and distribute portions to smaller entities. This would reduce the administrative burden on small organisations, enabling easier access to funding. Additionally, it would encourage mentorship and capacity building, as established organisations provide guidance to new innovators. These initiatives would diversify the pool of social innovations addressing societal challenges, while aligning with the ESF's objectives of reaching organisations engaged in social innovation, regardless of size.

**The Portugal Social Innovation initiative (PSI) offers an example of preparatory grants for small social economy organisations to engage in innovative projects** (see Annex A. Portugal's Social Innovation Initiative). The PSI initiative enhanced small social economy organisations' capacity to tackle social challenges through capacity-building programmes and financial tools. However, issues like administrative delays and limited financial instrument uptake highlighted the need for preparatory grants for initial research and testing. These grants enable broader participation in social innovation. Similarly, the Netherlands' Sustainable Employability Regions and Sectors scheme supports preparatory grants to strengthen project development and impact measurement (see Annex A. Sustainable employability in regions and sectors in the Netherlands).

### *Collaborating with academia*

**Integrating academic institutions into ESF-funded projects helps connect research with practical application, allowing students and researchers to engage with real-world problems and promoting experiential learning.** The master's degree in "Social Innovation and Entrepreneurship" at the Catholic University of Portugal is an example that links academia with social entrepreneurship (see Box 3.2).

**Establishing structured pipelines from academia to the social innovation sector could facilitate the transition from research to implementation.** Developing communication kits and resources tailored for academic institutions could raise awareness about social innovation opportunities and encourage participation.

**In Mexico, the Social Innovation Hub Anáhuac (SIHA) is an initiative of the Faculty of Social Responsibility at Anáhuac University that addresses specific societal challenges through collaboration between academia, government, and the private sector.** SIHA focuses on transferring academic knowledge to society, thereby enhancing economic and social conditions within communities. The Hub operates without dedicated physical infrastructure in its initial phase, using existing university

space for project development. Future plans include establishing a dedicated facility to further support social entrepreneurship and innovation (Commission for Environmental Cooperation, 2021<sup>[8]</sup>).

### Box 3.2. A master's degree in "Social Innovation and Entrepreneurship" at the Catholic University of Portugal

**The Catholic University of Portugal offers a specialisation in Social Innovation and Entrepreneurship within the Social Work Master's programme.** The specialisation provides advanced and targeted training to equip students with the skills to address social challenges. It includes a laboratory component and is complemented through partnerships with public and private third-sector organisations engaged in innovation processes in the social sector.

**The specialisation opens up professional opportunities in numerous diverse areas** such as service coordination departments, social intervention programmes and projects, social organisations, and research projects, particularly in the fields of social work and innovation.

Source: Catholic University of Portugal (2025<sup>[9]</sup>).

### *Connecting social incubators*

**Connecting social incubators can help to build strong social innovation ecosystems.** These incubators support emerging social enterprises by providing resources, mentorship, and a collaborative environment. However, many small entities hesitate to engage in social innovation funded by ESF, perceived as complex. To overcome these challenges, the ESF could support "micro-innovation" that reduces the fear of failure among social innovators. By promoting flexible support for small-scale projects, social incubators can empower innovators to take calculated risks, encouraging an experimental mindset for developing innovative solutions to social issues.

**Establishing networks of social incubators can enhance social innovation experimentation.** In Poland, a structured system of incubators has been developed to support individuals and small entities with promising ideas for addressing social challenges. These incubators employ a multi-stage process involving pre-incubation and incubation phases to identify, develop, and test micro-innovations on a small scale. Each innovator receives tailored support and funding to refine their solutions. Successful innovations are then selected for broader application based on criteria such as effectiveness and cost-efficiency. Furthermore, an acceleration stage has been introduced to enhance innovations with significant potential for wider dissemination. Since 2015, this collaborative approach, coordinated by the Ministry of Development Funds and Regional Policy, has led to the development of over 1 200 micro-innovations across various sectors. This demonstrates the effectiveness of interconnected incubator networks in fostering social innovation (European Commission, 2024<sup>[10]</sup>).

**In the Slovak Republic, the Human Resources Operational Programme highlighted the importance of connecting social incubators through dedicated training** (see Annex A. Human Resources Operational Programme in the Slovak Republic). By establishing stronger links between social incubators, the initiative promotes cooperation and knowledge exchange, thereby improving the quality of self-employment programmes that offer business development training. These interconnected incubators are better equipped to help young people acquire the skills and knowledge needed to create sustainable enterprises. Moreover, this networked approach fosters local innovation by enabling participants to develop solutions tailored to their communities' needs, while the involvement of various stakeholders, such as municipalities and civil society organisations, further strengthens support structures for emerging social innovators.

Table 3.1 summarises the existing levers and policy orientations for future ESF support to social innovation experiments discussed in this section.

**Table 3.1. *Start* – Existing levers and policy orientations for future ESF support to social innovation experiments**

<i>Start</i>	
Existing levers	
Funding for social experiments	Dedicated funding (grants, seed capital) for pilot projects to test new solutions on a small scale, evaluate results, and gather evidence for what works.
Innovation labs and incubators	Labs, hubs or incubators where social innovators design, prototype, and refine ideas in a supportive environment (mentorship, co-creation workshops, testing grounds).
Competitions and awards	Competitions crowdsource ideas, reward the best projects with funding or recognition, and encourage entrepreneurship through public contests.
R&D programmes	Integrates social innovation in R&D agendas. Funds studies, pilots, data collection to understand challenges and experiment with evidence-based solutions.
Collaborative platforms	Knowledge exchange, partnerships, co-creation, communities of practice and online hubs where social innovators, experts, and funders share best practices.
Policy orientations for future ESF support	
Identifying “blind spots”	Introducing “blind spots” criteria in ESF programming to identify regions lacking social innovation initiatives, requiring Member States to report on how they are addressing gaps in social innovation support, establishing specific funding incentives for projects targeting underserved regions.
Involving many stakeholders from the experimentation phase	Incentivising multi-stakeholder consortia in ESF social innovation calls, promoting co-creation with target groups by mandating their involvement in problem definition and pilot testing, establishing steering committees or “living labs” to enable inclusive governance and long-term adoption.
Securing greater recognition from public authorities	Expanding the ESF definition of ‘services of general interest’ to include social innovation initiatives, introducing new funding streams specifically targeted at social innovations, contributing to the development of structured capacity-building programmes for public authorities to integrate social innovation into policymaking.
Improving ESF payment timeliness	Implementing a tiered funding release mechanism based on organisation size and financial capacity, offering advance payments for small organisations to ease cash flow constraints and enable timely project implementation, establishing a ‘fast-track’ ESF disbursement procedure for micro and small social innovation projects.
Introducing preparatory grants	Creating a new ESF funding category for preparatory grants (allowing small entities to cover early-stage research, stakeholder engagement, and initial testing), introducing a regranting mechanism where experienced ESF beneficiaries distribute portions of funds to smaller organisations, reducing administrative barriers for preparatory grants.
Collaborating with academia	Developing structured pipelines connecting academia with social innovation (including student-led pilot projects), expanding ESF-supported research grants that encourage practical applications of social innovation in master’s and PhD theses, funding ‘field immersion’ programmes where students and researchers directly engage in solving social challenges.
Connecting social incubators	Linking social incubators can strengthen social innovation ecosystems by providing resources, mentorship and collaboration, but many small organisations are put off by the perceived complexity of ESF funding, which could be addressed by supporting ‘micro-innovation’, which encourages small-scale projects and an experimental approach to tackling social problems.

Source: Authors’ own elaboration.

## Scale – Replication of successful social innovation

**Scaling social innovation enables proven solutions to expand their reach and impact.** This section describes the mechanisms supporting scaling and presents policy orientations to enhance scaling processes under future ESF support.

## Existing levers

### *Scaling up programmes*

**The European Commission, national governments, local authorities, accelerators and impact investors support scaling-up projects by offering advanced mentorship, growth financing and partnership.** An example of scaling up programmes is Poland's community-based mental health centres which were introduced in 2018 as a pilot initiative under the National Mental Health Protection Programme for 2017-22. Following the pilot's success, the number of operating mental health centres has grown to 100, with plans to expand to 300 and integrate the model into the national healthcare system by 2027. The initiative receives national funding in the form of lump-sum financing, providing flexibility in spending and allowing services to be tailored to local needs (Sagan et al., 2022<sup>[11]</sup>; Ujazdowski, 2024<sup>[12]</sup>).

### *Growth finance*

**Growth finance requires attracting investors and funds such as government-supported social finance funds, loans, equity and hybrid finance.** These are often offered by EU financial instruments, social investment intermediaries, banks, impact investors, and foundations. For example, Portugal established a EUR 150 million Social Innovation Fund (SIF) in 2018, which blends EU and national resources to offer loans and equity to scale social sector organisations and small and medium enterprises (SMEs) in the country (Portugal Inovação Social, n.d.<sup>[13]</sup>).

**The Social Finance Fund (SFF) is a cornerstone of Canada's Social Innovation and Social Finance Strategy, designed to accelerate the growth of the country's social finance market.** Launched in 2023 with a commitment of CAD 755 million over ten years, the SFF aims to enhance access to affordable capital for social purpose organisations (SPOs), including charities, non-profits, co-operatives, and social enterprises. These organisations are instrumental in developing and scaling innovative solutions to complex social and environmental challenges, such as poverty alleviation, climate change, and social inclusion. By providing repayable contributions to selected investment fund managers, the SFF facilitates investment in social finance intermediaries. These intermediaries, in turn, offer flexible financing opportunities to SPOs, enabling them to grow, innovate, and enhance their social and environmental impacts, while promoting more inclusive economic development for communities in Canada.

### *Capacity building*

**Capacity building allows social entrepreneurs to improve project management, conduct impact measurements, and improve the scalability of their ideas.** Training or mentorship programmes, workshops, technical assistance, coaching, and competence centres are among some approaches to do so, often provided by EU-level competence centres, national training programmes, incubators, accelerators, universities and relevant social innovation networks. Under the ESF+, there are six National Competence Centres for Social Innovation which cover 25 EU Member States with objectives to train and advise social project leaders on various themes (see Figure 2.5).

### *Transnational cooperation*

**Leveraging EU's diverse experiences to replicate projects at the transnational level helps entrepreneurs expand and strengthen their innovations.** Peer learning forums, as well as city networks, non-governmental organisations and local authorities partnering across borders help clarify how social innovations could adapt to new contexts beyond national borders. Dedicated funding is also effective for transnational cooperation, such as the ESF or Interreg projects, as well as financing mechanisms like the European Social Innovation Catalyst Fund which replicates successful innovative projects at the national and transnational level. The Nordic Council is an example of transnational cooperation, as its

members jointly developed social innovation approaches that allowed for solutions proven successful in one country to be adapted in others (Nordic Council of Ministers, 2015<sup>[14]</sup>).

### *Policy mainstreaming*

**Translating pilot projects into new laws, reforms or budgeted programmes, helps embed social innovation into mainstream policy and standard service delivery.** For example, France's Zero Long-Term Unemployment Territories experiment – which tackles unemployment by creating jobs that address community needs through redirecting cash benefits otherwise paid to unemployed individuals – was extended by law. A similar project is underway in the region of Wallonia (Belgium), where 17 zero long-term unemployment territories are scheduled to be launched with support from the ESF+ (European Commission, 2024<sup>[15]</sup>).

### **Policy orientations**

#### *Developing knowledge sharing on scaling up social innovation*

**Knowledge sharing on scaling social innovations enables stakeholders to learn from successful interventions and adapt them to their contexts.** By identifying context-specific factors and common transferable elements, innovations can be tailored for different regions. Involving the private sector can further enhance this process by demonstrating how innovative ideas can be scaled in the market. The Euclid Network provides a good example of this approach, connecting nearly 100 000 organisations across Europe through a Knowledge Centre that promotes peer-to-peer sharing on topics like impact-driven leadership and social finance, inspiring similar social innovations. (Euclid Network, 2024<sup>[16]</sup>).

**In Austria, tackling gender inequalities in the labour market required scaling up social innovation through a structured pilot-to-national-rollout approach** (see Annex A. Addressing structural inequalities in the labour market in Austria). Between 2017 and 2019, seven pilot projects tested innovative practices that gathered insights on promoting gender equality, improving qualifications for marginalised groups, and fostering inclusive HR practices. This knowledge informed the national rollout from 2020 to 2023, allowing effective strategies like targeted consulting and tailored workplace inclusion to be scaled up for wider reach.

**The role of Managing Authorities could be further strengthened through targeted training and international benchmarks.** National Competence Centres, particularly the one focused on Social Innovation Ecosystem Development (SEED), plays a critical role in helping them effectively implement ESF funding and mainstream social innovation (see Figure 2.5). Communities of Practice can also facilitate peer learning and lectures on social innovation, equipping Managing Authorities with essential skills.

#### *Strengthening impact measurement*

**Measuring impact of social innovations can help convince private funders and governments to finance projects.** For example, Impact Track offers user-friendly platforms tailored to specific projects, aiding in securing funding (see Box 3.3). In France, Avise's Social Innovation Characterisation Grid (*Grille de caractérisation de l'innovation sociale*) is another tool that evaluates social innovations, with 20 criteria across three categories: social needs and stakeholder involvement, positive effects, and experimentation. The Grid helps entrepreneurs assess and showcase their impact while facilitating access to support and funding (Avise, 2024<sup>[17]</sup>). The European Commission's Joint Research Centre (JRC) also offers free support and training on methodologies for social innovation project evaluations. The JRC could mobilise its expertise to produce guidelines for Managing Authorities.

**In Portugal, the Social Innovation Initiative demonstrates how capacity building and outcome-based funding can strengthen impact measurement in social innovation** (see Annex A. Portugal's

Social Innovation Initiative). The project introduced Social Impact Bonds (SIBs) and Partnerships for Impact, linking funding to measurable social outcomes in sectors such as health and education. Alongside a dedicated capacity-building programme, the initiative helped social economy organisations to improve their management and impact assessment skills, achieving a 76% success rate. These tools enabled organisations to demonstrate their effectiveness to funders more clearly, thereby encouraging both public and private investment in social innovation.

### Box 3.3. Impact Track: Democratising social impact measurement

**Founded in 2019 in Nantes, France, Impact Track is a social enterprise that aims to democratise social impact measurement.** The company's platform provides social entrepreneurs with tools to manage and communicate their social and environmental impacts transparently and effectively, while also connecting them with social investors looking to optimise their investments. It facilitates the implementation of impact measurements by offering pragmatic and personalised support, as well as a turnkey platform adapted to each project's area of activity.

**Since its establishment, Impact Track has supported almost 600 projects, 359 of which are currently active, as well as 15 portfolio managers.** Its primary users include associations and co-operatives seeking to measure, manage and communicate their impact to improve its services and secure adequate funding from investors. Given that most of their beneficiaries are new to impact measurement or face financial difficulties due to the lack of resources, Impact Track strives to make its impact measurement tools accessible to everyone, enhancing continued growth for the social and solidarity economy.

Source: Impact Track (n.d.<sup>[18]</sup>).

### *Building and strengthening ecosystems*

**A social economy ecosystem is a network of organisations – including co-operatives, mutual societies, associations, foundations, and social enterprises – that prioritise social and environmental goals over profit, operate with democratic governance and reinvest profits to serve their members or society at large.** Building and strengthening social economy ecosystems can effectively scale social innovation projects by creating networks, identifying target groups, and expanding project reach. In Spain, a strong social innovation ecosystem exists, with NGOs leading the way and minimal public authority involvement. The recent establishment of the Social Economy Hub highlights this, aiming to connect companies, research institutions, international organisations and social entrepreneurs to boost the sector (Fundacion Espriu, 2024<sup>[19]</sup>).

**In Estonia, the Adaptation and Integration Measure project also succeeded by mobilising a network of stakeholders across the public, private, and third sectors, in the fields of migration and integration** (see Annex A. The Adaptation and Integration Measure in Estonia). Networking seminars and collaboration as well as digital platforms have helped centralise resources, enhance information flow and connections between providers and beneficiaries. This interconnected ecosystem addresses fragmented services and boosts participant engagement, demonstrating how strong ecosystems can enhance social innovation initiatives.

### *Addressing territorial disparities in social innovation*

**Urban areas often become focal points for social innovation projects due to their higher population density, better access to resources, and more robust infrastructure.** This concentration can lead to a proliferation of initiatives aimed at addressing social challenges in cities. In contrast, rural areas often face greater unmet social needs due to factors such as limited access to healthcare, education, and economic opportunities. This disparity is exacerbated by challenges such as inadequate infrastructure, lower population densities, and reduced funding, which can hinder the implementation of social innovation initiatives in these regions (OECD, 2024<sup>[20]</sup>). For example, rural communities often struggle with limited access to public health services, which are underfunded and lack the necessary physical and human infrastructure. In addition, the shortage of healthcare in rural areas leaves many with unmet medical needs.

**Portugal addresses regional disparities through the Portugal Social Innovation (PSI) initiative, which finances and promotes social innovation ecosystems, while keeping a national approach** (see Annex A. Portugal's Social Innovation Initiative). This includes technical activation teams in various regions to help raise awareness and support with ESF funding. These teams foster collaboration among local actors and engage relevant stakeholders in regional ecosystems (European Commission, 2022<sup>[21]</sup>).

**In Italy, the Active Labour Market Policies for Women project demonstrates the importance of coordinating regional initiatives to address gender disparities in the labour market** (see Annex A. Active labour market policies for women in Italy). The project took a region-specific approach, with tailored pilot programmes focusing on training, work-life balance seminars, and flexible work arrangements, catering to the needs of women in different regions.

### *Supporting internationalisation*

**Countries and ESF can help social innovations scale up beyond national borders, through transnational programmes.** To support this, National Competence Centres (NCCs) – already established in many Member States – are well-positioned to serve as dedicated contact points for internationalisation efforts. These centres are designed to connect national initiatives, foster cross-border collaboration, and provide guidance on accessing EU funding opportunities, including ESF+ and EaSI programmes. By leveraging the existing infrastructure and expertise of NCCs, a cohesive European ecosystem can be developed to promote the internationalisation and scaling up of social innovation projects (OECD, 2023<sup>[22]</sup>).

**The 2013-16 Building a European Network of Incubators for Social Innovation (BENISI) project created a trans-European consortium that supports the scale-up of projects at both national and transnational levels.** This action-driven research programme on social innovation incubation brought together 300 social innovations across Europe that held high potential for scaling up and provided them with services for scaling (Hirsch, 2024<sup>[23]</sup>).

**The Interreg Alpine Space Programme supported cross-border collaboration and scaling up of social innovation projects across the Alpine region** (see Annex A. Interreg Alpine Space Programme). The programme connects diverse actors, including SMEs, NGOs, and public authorities, to address common regional challenges such as climate change, demographic shifts, and economic disparities. By promoting transnational cooperation and integration with intergovernmental strategies like the EU Strategy for the Alpine Region (EUSALP), the initiative strengthened social economy networks and facilitated the implementation of innovative solutions at a broader scale.

### *Linking social and technological innovation*

**Digital tools and platforms could be strategically leveraged to maximise the impacts of social innovation.** Connecting technological innovators with social entrepreneurs could enhance collaboration

and integrate social innovation with digital solutions, especially in rural areas where social and technological innovations can benefit communities (OECD, 2023<sup>[24]</sup>).

**The Adaptation and Integration Measure in Estonia aims to reduce the digital divide by strategically combining digital tools and social services to support the integration of immigrants** (see Annex A. The Adaptation and Integration Measure in Estonia). A key part of this initiative is the multilingual [settleinestonia.ee](https://settleinestonia.ee) platform, which provides essential information and access to services for newly arrived immigrants and less-integrated residents in Estonian, English and Russian. The project's modular approach integrates digital registration systems, language e-learning modules, and regionalised content, as well as in-person support such as language clubs and cultural immersion activities. Consequently, the initiative has improved language acquisition and cultural understanding. It has also informed national integration policies, demonstrating the transformative potential of tech-enabled social innovation in addressing inclusion challenges.

### *Providing follow-up funding from multiple sources*

**The ESF could promote hybrid funding models that blend public and private investments.** Encouraging collaborations between social innovators, philanthropic organisations, venture capital, and traditional financial institutions could diversify funding streams and enhance financial resilience. This strategy reduces risks from depending on one funding source and uses diverse sector strengths to enhance social innovation. The ESF could also help establish partnerships with impact investors and venture philanthropy networks to provide patient capital to social innovators looking to scale their solutions. Patient capital, which tolerates longer return horizons and higher risks, is well-suited for social innovation initiatives that need time to create impact.

**The ESF could also support capacity-building programmes focused on financial literacy and strategic funding acquisition, to enhance the financial acumen of social innovators.** Equipping social entrepreneurs with knowledge about various financing instruments – such as mezzanine funding, venture capital, and hybrid funding models – can help them make informed decisions about sustainability plans. Additionally, implementing transaction cost support schemes can alleviate the financial burden associated with securing diverse funding, making it more feasible for social innovators to pursue multiple funding avenues.

**Co-funding mechanisms that involve multiple stakeholders, including public entities, private investors, and philanthropic organisations, could also be explored by ESF.** Such collaborative funding approaches not only distribute financial risk but also foster a shared commitment to the projects' successes. By facilitating partnerships among diverse funders, the ESF could create a more cohesive and supportive ecosystem for social innovation, enhancing the potential for projects to achieve long-term impact.

**Lastly, the ESF could help attract private investment into the social innovation sector by introducing measures to reduce investment risk for private funders.** For example, it could offer guarantees or first-loss capital to cover potential early-stage losses, making social innovation projects more attractive to private investors. Similar approaches have been used successfully, such as the ERDF-backed venture capital funds supporting innovative start-ups in Berlin (see Box 3.4). By lowering the perceived risk, the ESF could unlock additional private capital and contribute to a more resilient and diverse funding landscape for social innovation.

Table 3.2 summarises the existing levers and policy orientations for future ESF support for the replication of successful social innovation discussed in this section.

### Box 3.4. Fuelling Berlin's socially innovative start-ups with ERDF VC funds

**Berlin's European Regional Development Fund (ERDF) leadership in equity financing instruments has been crucial in supporting the expansion of its venture capital (VC) ecosystem.**

Berlin introduced ERDF-funded equity instruments to the VC market between 2004 and 2007. The city established two significant venture capital funds with the ERDF funding: VC Fund Technology and VC Fund Creative Industry, which received EUR 77 million and EUR 49 million, respectively, during the 2014-20 programming period. Their goal was to assist creative, scalable and growth-oriented companies in their early stages.

**The funds have been essential to expand the venture capital sector in Berlin.** The funds are managed by IBB Ventures (*IBB Beteiligungsgesellschaft*), a division of the Investitionsbank Berlin (IBB). IBB Ventures applies strict selection procedures, including environmental and climate considerations to guarantee that business models with significant negative effects are excluded from the funding. Therefore, ERDF-funded venture companies align with sustainable and socially responsible innovation, fostering innovation-driven entrepreneurship. The ERDF co-financed VC funds have achieved notable outcomes, including the growth of various enterprises, solidifying Berlin as an innovation hub in Europe.

Source: European Investment Bank (2023<sup>[25]</sup>).

**Table 3.2. Scale – Existing levers and policy orientations to support the replication of successful social innovation**

Scale	
Existing levers	
Scaling programmes	Advanced mentorship, growth financing, and partnerships so that proven pilots can replicate in new regions or serve more people.
Access to growth finance	Social investment funds, loans, equity, hybrid financing to bridge the gap from grant dependency to sustainable financing (attracting investors or funds for social impact).
Capacity building	Training programmes, technical assistance, coaching, and Competence Centres to improve project management, impact measurement, and scalability.
Transnational cooperation	Transnational projects, peer learning forums, and adaptation of innovations to new contexts, leveraging the EU's diverse experiences.
Policy mainstreaming	Translate successful pilot projects into new laws, reforms or budgeted programmes so that the innovation becomes part of standard service delivery.
Policy orientations for future ESF support	
Developing knowledge sharing on scaling up social innovation	Facilitating knowledge exchange through national and international learning platforms, strengthening the role of ESF Managing Authorities in supporting scaling strategies, promoting a dedicated annual ESF Social Innovation Summit to bring together policy makers, researchers, and practitioners.
Strengthening impact measurement	Developing and funding open-source impact measurement tools accessible to all ESF social innovation beneficiaries, supporting sector-specific impact assessment frameworks to standardise evaluation across Member States, providing capacity building and technical assistance to help social innovators measure and communicate their impact effectively.
Building and strengthening ecosystems	Expanding ESF funding to support the creation of multi-stakeholder networks connecting social economy actors, academia, and businesses, incentivising public-private partnerships that integrate social innovation into broader innovation ecosystems, establishing a dedicated ESF funding stream for ecosystem-building initiatives that enhance knowledge exchange and collaboration.
Addressing territorial disparities in social innovation	Improving coordination between regional ESF-funded initiatives to enable successful projects can be replicated in other areas, creating structured mechanisms to facilitate knowledge-sharing across municipalities and regions, developing ESF-supported technical activation teams to help local actors better access social innovation funding.
Supporting internationalisation	Introducing dedicated ESF contact points for social innovation internationalisation within national agencies,

	establishing transnational ESF funding mechanisms that allow cross-border scaling of successful social innovations, developing EU-wide platforms for social innovation actors to connect with international networks and investors.
Linking social and technological innovation	Encouraging ESF-funded partnerships between social innovators and tech developers to drive digital transformation, addressing digital inclusion gaps through specific ESF-supported initiatives targeting rural and underserved areas, expanding funding opportunities for social innovation projects integrating artificial intelligence, blockchain, and digital platforms.
Securing follow-up funding from multiple sources	Promoting hybrid funding models in the ESF framework, blending public subsidies with venture philanthropy and impact investment, establishing an ESF-backed financial de-risking mechanism to attract private investment into social innovation, supporting capacity-building initiatives on financial literacy and innovative funding strategies for social innovators.

Source: Authors' own elaboration.

## Sustain – Continuity of social innovation over time

**Facilitating the continuity of social innovation over time is essential for lasting impact.** This section identifies existing levers supporting impact over time and provides policy orientations to strengthen these efforts under future ESF support.

### Existing levers

#### *Policy frameworks*

**Supportive policy frameworks lay the foundations for social innovation by defining the rules, goals and recognition needed for it to thrive.** Governments foster social innovation by establishing enabling laws, strategies and definitions that provide clarity and legitimacy to social enterprises and initiatives (e.g. Germany) (OECD, 2021<sup>[26]</sup>). Well-crafted frameworks also recognise new social enterprise forms, ease regulatory burdens, and coordinate support across agencies, creating an ecosystem where innovative solutions to social challenges can emerge and scale (Hubert, 2010<sup>[27]</sup>). This lever mainly involves national governments and legislatures, working with social economy entities and networks to set clear operating principles (e.g. social purpose, profit reinvestment) and assign roles (ministries, agencies, networks) to implement and monitor progress.

#### *Socially responsible public procurement*

**The use of social criteria in public procurement helps direct shares of public spending towards social innovation and impact.** Socially responsible public procurement requires public buyers to look beyond price and consider social outcomes of how goods and services are produced and delivered. EU procurement directives and national strategies help enable the inclusion of social clauses, making socially responsible public procurement a practical mechanism to fuel social innovation while meeting community needs (European Commission, 2020<sup>[28]</sup>). By integrating requirements or criteria related to the employment of disadvantaged groups, fair trade, accessibility or social enterprise involvement, public contracts become a tool to advance social goals while still obtaining quality services (European Commission, 2025<sup>[29]</sup>). Socially responsible public procurement involves public authorities – from national ministries to local governments and procurement agencies – adjusting their tender processes and involving stakeholders like social innovators and end-beneficiaries (OECD, 2023<sup>[30]</sup>).

#### *Long-term financing*

**Governments and the EU are important players in earmarking funds, creating financial instruments and incentivising private investment in social projects.** The diversity of funding usually involves blending public funds with private or philanthropic capital (through match funding, social impact bonds etc.)

to multiply resources and impose outcome discipline. Diversifying funding sources helps social innovation move from pilot to long-term self-sufficiency. It also builds the capacity of social innovators to engage with investors and measure impact, making the social innovation ecosystem more resilient (European Innovation Council, 2021<sup>[31]</sup>).

### *Public awareness and recognition*

**This lever focuses on highlighting success stories, promoting an understanding of social innovation's value, and engaging the public and media so that innovative solutions gain traction and support.** Public awareness campaigns, awards, labels, and educational initiatives help shift mindsets. They make the concept of social innovation more mainstream and reputable, encouraging citizens, investors, and policy makers to get involved. Recognition rewards social innovators for their impact and provides role models and learning examples that can be emulated elsewhere (European Commission, 2021<sup>[32]</sup>).

**Institutional frameworks refer to creating dedicated bodies, strategies, or permanent processes within the public sector that sustainably promote and mainstream social innovation.** This includes national strategies, inter-ministerial committees, regional competence centres, or legal entities that anchor social innovation in the policy system. The goal is to move beyond isolated experiments towards continued consideration of social innovation in policymaking, service design, and education. High-level political support and formal mandates (e.g. a unit within a Ministry or a cross-sector council) help coordinate stakeholders and align resources over time (Bonno, 2023<sup>[33]</sup>). Effective institutionalisation involves multi-level governance to adapt and carry forward social innovation in communities (Bonno, 2023<sup>[33]</sup>).

### *Institutionalisation*

**Institutionalisation enables social innovation to move beyond isolated projects to become a core part of public governance and service design.** Governments establish dedicated units, inter-ministerial strategies, or public-private partnerships to provide long-term coordination and support for social innovation. By embedding social innovation in policy frameworks, institutionalisation secures political commitment, aligns resources, and facilitates knowledge sharing. Permanent structures, such as specialised agencies or cross-sector councils, help mainstream social innovation and support consistency across policy areas. Multi-level governance approaches enable adaptation to local needs while maintaining national strategic direction. This lever strengthens resilience and fosters sustained impact by integrating social innovation into decision-making and implementation processes (Mehmood, 2016<sup>[34]</sup>). For example, Portugal Social Innovation (PSI) is a government initiative coordinated by a specific mission unit (see Box 3.5 and Annex A. Portugal's Social Innovation Initiative). It promotes social innovation through the use of four instruments designed to finance projects that offer alternative and innovative solutions to social problems (Portugal Social Innovation, 2025<sup>[35]</sup>).

### Box 3.5. Portugal Social Innovation: Embedding social innovation in policy frameworks

**Portugal Social Innovation is managed by an independent mission unit under the Agency for Development and Cohesion (Ministry of Territorial Cohesion).** It oversees four financial instruments, namely Capacity Building for Social Innovation, Partnerships for Impact, Social Impact Bonds and the Social Innovation Fund. The unit consists of a multidisciplinary and experienced team committed to advancing social innovation and fostering Portugal's social investment market. Portugal Social Innovation is also a member of FUSE (Facilitating United Approaches to Social Innovations in Europe), a consortium of National Competence Centres for Social Innovation, alongside Bulgaria, Cyprus, and Ireland. This initiative aims to strengthen and expand social innovation ecosystems across Europe.

**The initiative has launched 18 calls, resulting in the creation of more than 600 projects under the Portugal 2020 framework.** These projects address key societal challenges, including citizenship and community, education, employment, digital inclusion, social inclusion, social innovation incubators, justice, and health. To date, EUR 90 million of funding has been approved, benefiting more than 500 entrepreneurial entities. This investment has catalysed EUR 42 million in social investment to 824 social investors (see Annex A. Portugal's Social Innovation Initiative).

Source: Portugal Social Innovation (2025<sup>[35]</sup>) (2025<sup>[36]</sup>) (2025<sup>[37]</sup>).

## Policy orientations

### *Involving municipalities in the management of social innovation*

**Empowering municipalities to manage socially innovative projects that are relevant to addressing social needs and have proven successful elsewhere can help to allocate local resources more effectively.** It can also help to make innovations sustainable and adaptable to changing community needs (see Box 3.6). By providing training and resources, the ESF could equip local authorities with the necessary skills to manage and sustain social innovation projects. To facilitate the widespread adoption of successful social innovations, the ESF could also set up networks to enable municipalities to share best practices and resources. These networks would promote the replication of successful projects across different regions within countries and across Europe, fostering a culture of learning and adaptation.

### Box 3.6. MyPolis: Alternative forms of democratic participation for young people in Portuguese municipalities

**Starting as a social innovation project in 2017, MyPolis is a digital platform that empowers and connects the youth with politicians to drive social change within local municipalities in Portugal.**

The initiative was born from the desire to create alternative forms of democratic and civic participation for younger generations and has served more than 30 000 young individuals since its establishment, operating in 31 territories across the nation. Following its success as a pilot project, municipalities are now implementing the programme themselves to support its long-term viability, reducing reliance on social innovators.

**MyPolis also works in schools, where they transform classrooms into participation academies to promote a more participatory citizenship education.** They have also created educational games that allow children to learn about civic participation in a creative manner, with high levels of satisfaction among both students and teachers. Moreover, MyPolis has hosted over 100 participatory social transformers assemblies, which facilitates the direct line of communication between the youth and political representatives, further promoting active citizenship among young people.

Source: MyPolis (2025<sup>[38]</sup>).

**In France, municipalities play a major role in managing social innovation to strengthen employment and social inclusion** (see Annex A. Strengthening employment and social inclusion in France). One example is the project “*Espaces Métiers Aquitaine*”, a network of career guidance centres spread across the Nouvelle-Aquitaine region. These centres provide free, anonymous career support services to young adults, jobseekers, and employees. Each centre operates under a local coordinator, allowing that career guidance resources are tailored to the specific employment landscape and socio-economic conditions of the area. This initiative involves local coordinators who collaborate with local stakeholders, including social innovators to respond to regional challenges, facilitating that solutions are adapted to local realities and are sustained over time.

#### *Building stronger links between social innovation and the twin transition*

**Social innovation could be further used to support the twin transition, i.e. the simultaneous pursuit of environmental sustainability (green transition) and digital progress (digital transition) to achieve a climate-neutral, resource-efficient, and technologically advanced economy.** The ESF could align funding priorities to support projects that address social challenges while promoting environmental sustainability and digital advancement. By incentivising initiatives that use digital tools to enhance social outcomes and foster community engagement in environmental efforts, the ESF can drive innovative solutions that address complex societal issues through a blend of technology and sustainability.

**Collaborative networks could bring together stakeholders from the social innovation sector, digital industry, and environmental organisations to support the twin transition.** The ESF could facilitate the creation of such networks, fostering knowledge exchange and collaborative project development. These partnerships can lead to the co-creation of solutions that are socially inclusive, technologically advanced, and environmentally sustainable.

**The Interreg Alpine Space Programme was a prime example of how social innovation contributed to the twin transition under the 2014-20 ESF** (see Annex A. Interreg Alpine Space Programme). The programme’s focus on low-carbon initiatives, sustainable energy practices, and climate resilience demonstrated a strong alignment with the EU’s green transition goals, as 54.5% of funded projects directly

contributed to climate and energy objectives. The integration of principles such as sustainability and equal opportunities further strengthened the programme's impact, enabling the twin transition to benefit all sectors. The programme also promoted the use of digital tools, such as social media, to enhance communication and network building.

*Making social innovation an effective tool for cohesion*

**Social innovation could be further positioned as an important support for cohesion across Member States to enhance the EU's capacity to jointly address common challenges.** This can be achieved by integrating social innovation into the core objectives of future ESF programming periods, and by adjusting funding schemes to prioritise cross-border collaborations in social innovation that address shared challenges, such as social inclusion, environmental challenges or public health.

**Incorporating social innovation into these cross-border collaborations can lead to more effective and sustainable solutions by fostering a sense of shared purpose and mutual support among participating communities.** The ESF could establish platforms for dialogue among social innovators, policy makers, and community leaders, which could serve as incubators for ideas that address both local and pan-European issues.

Table 3.3 summarises the existing levers and policy orientations for future ESF support for the sustainability of social innovation over time discussed in this section.

**Table 3.3. *Sustain* – Existing levers and policy orientations to support social innovation over time**

<i>Sustain</i>	
Existing levers	
Enabling policy frameworks	National strategies, laws defining new social enterprise status, tax incentives, regulations that support social innovators (e.g. simplified legal forms, incubator policies).
Socially responsible procurement	Include social criteria in procurement tenders (set-asides for social enterprises, award criteria for social value) so that public contracts scale innovative providers.
Long-term financing	Outcomes-based financing (e.g. social impact bonds), multi-year funding commitments, blending public and private funds.
Public awareness and recognition	By shining a spotlight on success stories (via media, award ceremonies, high-profile events, or school curricula), this lever builds public support and legitimises social innovation as an important driver of change.
Institutionalisation	Rather than one-off projects, governments create dedicated units, inter-ministerial strategies, or public-private partnerships to continually drive and coordinate social innovation.
Policy orientations for future ESF support	
Involving municipalities in the management of social innovation	Empowering municipalities to manage socially innovative projects by providing training, resources and networks through the ESF can improve local resource allocation, promote sustainability and facilitate the replication of successful innovations across regions and countries, fostering a culture of learning and adaptation.
Building stronger links between social innovation and the twin transition	Expanding ESF funding to support social innovation initiatives contributing to both digital and green transitions, funding training programmes for social innovators to develop expertise in digital tools and environmental sustainability, establishing ESF-funded partnerships connecting social entrepreneurs with actors in the green and digital economy.
Making social innovation an effective tool for cohesion	Social innovation can support cohesion by being integrated into future ESF programming periods and funding schemes that prioritise cross-border cooperation to address common challenges such as social inclusion, environmental issues and public health, while promoting effective and sustainable solutions through dialogue platforms between social innovators, policy makers and community leaders.

Source: Authors' own elaboration.

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## Annex A. Case studies

**This Annex presents 16 good practice cases of social innovation supported under the European Social Fund (ESF) during the 2014–20 programming period.** Spanning across 11 countries, these cases were selected among a sample of 96 project evaluations provided by the European Commission. While social innovation was not a primary focus in most Member States during this programming period, these projects stand out for their forward-thinking approaches in addressing a wide range of issues and policy areas, such as employment, social inclusion, women's participation in the labour market, service provision, care and migrant integration, through social innovation. They demonstrate how new methods, cross-sector collaborations, multi-stakeholder engagement and innovative use of technology can generate meaningful social impact. Each case highlights how communities were engaged and inclusion was fostered, going beyond conventional solutions to societal challenges. The Annex also includes country-specific organigrammes, based on information provided by respective Member States, illustrating the national and regional-level roles and responsibilities in managing the ESF.

1. [Addressing structural inequalities in the labour market in Austria](#)
2. [Pilot micro-nurseries in Czechia](#)
3. [The Adaptation and Integration Measure in Estonia](#)
4. [Integrating social innovation into the ESF national operational programme in France](#)
5. [Strengthening employment and social inclusion in France](#)
6. [Reducing apprenticeship dropouts in geriatric care in Bavaria, Germany](#)
7. [Active labour market policies for women in Italy](#)
8. [Inclusion of trafficking victims in Piemonte, Italy](#)
9. [Integrating vulnerable groups in the labour market in Tuscany, Italy](#)
10. [Sustainable employability in regions and sectors in the Netherlands](#)
11. [Long-term care in rural areas in Poland](#)
12. [Portugal's Social Innovation Initiative](#)
13. [Human Resources Operational Programme in the Slovak Republic](#)
14. [Murcia ESF Operational Programme \(Axis 6\) in Spain](#)
15. [Operational Programme for Social Inclusion and Social Economy \(POISES\) in Spain](#)
16. [Interreg Alpine Space Programme](#)

# Starting, Scaling and Sustaining Social Innovation

## Evidence and Impact of the European Social Fund

Social innovation is increasingly recognised as a tool which helps to address social challenges while generating economic benefits. Social innovation involves the creation and implementation of novel ideas – spanning products, services and processes – while promoting new forms of social interactions and partnerships.

The European Social Fund (ESF) has been supporting initiatives in employment, education, social welfare, inclusion, and beyond for nearly 70 years, and is increasingly dedicated to promoting social innovation throughout Europe, especially since the beginning of the 2021-27 programming phase.

This report applies the “3S Framework” (Start, Scale, Sustain) to analyse the main existing levers and policy orientations to further support social innovation in ESF programming periods beyond 2027. This framework serves as both a conceptual guide and practical tool for countries seeking to expand, develop and sustain the impact of social innovation over time.



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