



# Analysis report of social innovation within the capitalized projects

## Cross-country and comparative research

### MedRiSSE project

**Replicable Innovations of SSE in the provision of services & creation of decent jobs in the post covid-19 crisis recovery**



## Table of Contents

|  |           |
|--|-----------|
| <a href="#"><u>Abbreviations and Acronyms</u></a>  | <b>4</b>  |
| <b>Executive Summary</b>   | <b>5</b>  |
| <b>Introduction</b>  | <b>9</b>  |
| <b>1. Concepts and fundamentals of the SSE</b>   | <b>12</b> |
| 1.1. Social and Solidarity Economy   | 12        |
| 1.1.1. The ILO Definition  | 12        |
| 1.1.2. Values and Principles   | 14        |
| 1.1.3. SSE Agents  | 15        |
| 1.1.4. SSE as a vector for sustainable economic and social development   | 17        |
| <b>2. Participatory Service Models: Co-production and Social Innovation</b>  | <b>22</b> |
| 2.1. Background rationale  | 22        |
| 2.2. Co-production   | 23        |
| 2.2.1. Definition and multi-perspective approach   | 23        |
| 2.2.2. Challenges to co-production   | 25        |
| 2.2.3. Conclusive remarks  | 26        |
| 2.3. Social innovation   | 27        |
| 2.3.1. High level definitions that set the frame   | 27        |
| 2.3.2. Blurred boundaries: how innovative does a social innovation have to be in order to be labelled innovative?                | 28        |
| 2.3.3. Assessing social innovation by assessing its social impact: the Impact Compass model                                      | 29        |
| 2.3.4. Keeping it simple ... the Mannheim declaration (2021)   | 31        |
| 2.3.5. So where should the cursor be set?  | 32        |
| 2.3.6. Supporting the emergence and sustainability of social innovations: enabling factors                                       | 33        |
| <b>3. Preliminary Findings from the Capitalized Projects: Co-production, Social Innovation and Relevant Cross-cutting Issues</b> | <b>34</b> |
| 3.1. Scoping co-production and social innovation in the framework of the 5 projects  | 34        |
| 3.1.1. MedUp!  | 35        |
| 3.1.2. iESS!   | 36        |
| 3.1.3. MoreThanAJob  | 38        |
| 3.1.4. RUWOMED   | 39        |
| 3.1.5. MedTOWN   | 40        |
| 3.2. Observations on cross-cutting issues, lessons learnt and good practices   | 41        |
| 3.2.1. Project design components in favour of co-production and social innovation  | 42        |
| 3.2.2. The public policy setting is key  | 43        |
| 3.2.3. Building trust as a stepping stone for co-production  | 47        |
| 3.2.4. Adaptation to the local context is critical   | 49        |



|   |           |
|---|-----------|
| <b>MedRiSSE – WP5.1.</b>  | <b>3</b>  |
| 3.2.5. The buy-in of local authorities remains a challenge for co-production models   | 51        |
| 3.2.6. A holistic project approach offers depth, credibility and greater sustainability potential   | 52        |
| 3.2.7. Gender advocacy and women empowerment are directly related to the role women can play in co-production models at the level of policy and public service delivery | 53        |
| 3.2.8. Social enterprises: transparency and strict guidelines to prevent free riding and raise awareness  | 54        |
| 3.2.9. The SSE can support the transformation or transition from the informal to the formal economy   | 55        |
| 3.2.10. Optimizing the chances for viability and sustainability   | 56        |
| 3.2.11. The ‘depth’ of policy and legal frameworks matters  | 58        |
| 3.2.12. Loose legal frameworks hinder the efficiency of co-production initiatives   | 60        |
| 3.2.13. How can project structures make things move?  | 60        |
| <b>4. Conclusion</b>  | <b>61</b> |
| 4.1. Identified risks and challenges  | 62        |
| 4.2. Lessons learnt and key success factors   | 63        |
| 4.3. Opportunities and ways forward   | 65        |
| <b>Annex 1: The SSE’s contributions to decent work and sustainable development (ILO)</b>  | <b>70</b> |
| <b>Annex 2: Project factsheets and key information</b>  | <b>77</b> |
| <b>Annex 3: Mapping of partners involved in MedRiSSE and its 5 capitalized projects</b>   | <b>85</b> |
| <b>Annex 4: The Impact Compass by Stanford University Centre for Social Innovation</b>  | <b>86</b> |
| <b>References and Sources</b>   | <b>91</b> |

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## Abbreviations and Acronyms

CoP: Community of Practice

ESG: Environmental, Social and Governance

ILO: International Labour Organization

OECD: Organisation for Economic Cooperation and Development

SENT: social entrepreneurship

SESOs: social entrepreneurship support organizations

SI: social innovation

SSE: social and solidarity economy



## Executive Summary

MedRiSSE is a capitalization project that focuses on learning from collaboration experiences between SSE organizations and the public sector in various countries (with focus on Spain, Italy, Tunisia, Jordan and Palestine) and across various sectors, with emphasis on decent job creation and the provision of social services. Projects MedUp!, MedTOWN, MoreThanAJob, iESS! and RUWOMED have set forth a range of experiences that built on more or less extensive collaboration between SSE agents and the public sector.

The aim of the present study (which refers to WP5.1. of MedRiSSE project) is to analyse, through the lens and experience of these five projects, the co-production and social innovation dimensions across projects and implementation contexts.

The study first calls for a clear and common understanding of the terminology used in the framework of the project. It therefore clarifies the concepts and the principles underlying the SSE and highlights a series of values, principles, and socio-economic arguments that – if translated correctly in the framework of comprehensive and well-fastened legal frameworks – promote the role of SSE agents as efficient social service providers and potential key partners for the public sector.

The study then elaborates the concepts of co-production and social innovation.

As a broad range of social needs are not anymore being efficiently catered to by inefficient under-resourced public welfare systems, there is a subsequent urgency (and opportunity) for SSE partners to step in to fill a widening gap. Public-SSE collaboration can extend from co-designing adequate and responsive social policies, to efficiently supplying social services to the most vulnerable communities, sometimes introducing innovative ways to do so.

The research next focuses on project-borne experiences. It scopes public-SSE collaboration realized in the framework of each of the capitalized projects, emphasizing that, while all of the latter showcase extensive cooperation between the public authorities and local SSE agents, actual co-production and/or social innovation initiatives are few, and those most 'innovative' have yielded mitigated results to date.

Far from negative connotation, this observation simply confirms the extent of the challenge. Indeed, the comparative analysis led on project experiences allowed for the identification of the main determinants behind their successes (good practices) and,



retrospectively, pinpointed the factors which could have led the projects to bear greater impact.

Such impact could have been either directly on beneficiaries, or more broadly, on the overall ecosystem within which the projects were implemented. These determinants serve as first-hand input for future project design and advocacy initiatives.

The main findings derived from the projects are summarized below:

#### *Risks and challenges that face co-production initiatives*

- Political power struggles and polarized political environments can heavily deter the development of co-production and social innovation models.
- The absence of legal frameworks related to SSE (agents, principles, operations, public support mechanisms) is a major hindrance when it comes to setting up public-SSE partnerships.
- Loose legal frameworks circumscribe and penalize the SSE and its agents (compromising their social impact), in favour of the profit-making private sector (for instance, when it comes to public sector outsourcing the supply of social services).
- Powerful private sector lobbies can hinder the introduction of SSE-supportive clauses (for instance clauses promoting social responsibility in public procurement legislation).
- Macro-level interventions have proven more challenging than those at micro-level. Working at the policy level requires time, strong knowledge of the local culture and mainly consists of building and nurturing personal relationships with key actors.
- The sustainability of a project's achievements especially in terms of co-production, is a major challenge.

#### *Good practices and lessons learnt from the experience of the 5 projects*

- Recognizing social entrepreneurship and social entrepreneurs as credible agents and partners for delivering social services.
- Securing support through extensive awareness raising and capacity building across stakeholder categories (including the public sector) enable to overcome reticence to cooperate and contribute to a common social endeavour.



- Avoiding free riding where the legal framework does not allow for a clearcut identification of social entrepreneurship or of SSE agents and their operations.
- Adapting experiments to the contexts, in the framework of replication experiences. In particular, SSE actors involved in the public-SSE partnership should initially be recognized by the local community as part of the local social fabric. This belonging is a factor of credibility and thus a factor of success when it comes to bridging between the local community and the public authorities over social needs and public policy issues.
- Capitalizing on whatever is built and achieved during the project's lifespan (awareness, knowledge, networks, advocacy, relationships built with the local authorities, multi-stakeholder discussion and coordination platforms, even unfinished practical tools to serve a social goal).
- Valuing the human factor which is key for the sustainability of an endeavour. Projects that involve multiple stakeholders and that have set up partnerships between those stakeholders, can ambition to achieve new impactful projects by leveraging the good personal relations developed among project stakeholders.
- Mobilizing stakeholders in a co-production project as early on as possible in the framework of a participatory approach involving decision makers, service providers and beneficiaries alike.

As the good practices identified and the lessons derived from the analysis are set to feed into future advocacy initiatives aiming to develop conditions and frameworks conducive to more efficient cooperation between actors from the SSE and the public authorities, the study concludes with high-level recommendations to move forward on the path of co-production and social innovation.

- There is much room, and need around the Mediterranean, for advocacy efforts targeting the design of policies fostering the SSE.
- Fostering efficient sustainable partnerships between the public sector and the SSE in the framework of social causes, relies on availing macro frameworks.
- Efficient local SSE hubs carry the potential of creating momentum around SSE development, but also improving social awareness around social challenges.



- When the SSE is formally recognized, it has the potential to draw informal social initiatives and informal labour and gives them the opportunity to enter the formal sphere and develop.
- The economic empowerment of vulnerable communities, including women, is a strategic means to achieve greater inclusion and greater involvement of these communities in dealing with social needs as active stakeholders.
- ESG strategies offer great potential of cooperation between various stakeholders, namely between the private sector and the SSE. This broadens both their social impact potential, as well as the perspectives of co-production and social innovation along with the public sector.
- Demonstrative and experimental actions in the realm of social innovation could benefit from conducive 'testing' frameworks inspired from regulatory sandboxes introduced for the financial sector. Once the innovation clearly demonstrates efficiency and impact, it is likely to be better accepted and its dissemination or replication much smoother.
- Social advocacy actions can also serve the purpose of promoting co-production and social innovation. They can include:
  - granting legal recognition for the object of the co-production or the social innovation resulting from the public-SSE cooperation
  - removing regulatory obstacles to co-production
  - advocating for policies that recognize the participative approach and the role of the SSE organizations underlying social dialogue and co-production initiatives, through the practical involvement of these organizations in social dialogue councils, advisory bodies or similar institutions
  - institutionalizing co-production in policy design and implementation, through the establishment of bodies at the heart of the public administration whose aim is to oversee the policy object
  - influencing the cultural environment, the ideas and the awareness around a social topic in order to influence visibility and social acceptance.

These overarching elements can spark new ideas for designing cooperation initiatives and feed into future initiatives aiming to support the development of the SSE sphere around the Mediterranean, encompassing both actors and institutional frameworks -- in ecosystems where EU cultural influence through cooperation has high chances of producing positive impact.





## Introduction

MedRiSSE is a capitalization project which aims to enhance the value of achievements made in the framework of 5 EU-funded projects – all finished or close to finish. In particular, MedRiSSE focuses on social innovation, lessons learnt and replicability, in the framework of post-covid recovery – with emphasis on decent job creation and the provision of social services.

The present report is the outcome of a study whose aim was to derive, from the experience of 5 EU-funded development projects, answers, gaps and lessons learnt on cooperation between actors from the Social and Solidarity Economy (SSE) and public authorities, in the framework of the MedRiSSE action.

The study sought to identify the ingredients needed for enabling the development of social innovation, through the lens and experience of 5 projects tackling SSE issues and implemented across 5 countries.

Projects MedUp!, MedTOWN, MoreThanAJob, iESS! and RUWOMED have set forth a range of experiences that built on more or less extensive collaboration between SSE organizations and the public authorities. In some instances, cases of more elaborate cooperation led to what is commonly designated as ‘social innovation’ where the stakeholders from both backgrounds have succeeded in co-designing and/or co-supplying solutions to tackle social needs.

While each of the projects tackled the dimension of social innovation from the perspective of a different development topic (*see below*) and put forth varied experiences in terms of setting, target groups, and approach, yet all five projects have yielded lessons and good practices that cut across implementation spheres and go beyond the intervention topic of the project.

- MedTOWN → Exploration of digital payment systems for co-production and tools for financial innovation in the delivery of public services
- MoreThanAJob → Role of social and solidarity economy in the promotion of decent jobs and social inclusion



- RUWOMED → Women empowerment in cooperatives through fair trade and eco-tourism
- MedUP! → Promotion of the ecosystem for social enterprises, in particular in terms of access to finance for social businesses
- iESS! → Promotion of employment through the development of the social and solidarity economy ecosystem

In this report, the project-borne experiences were assessed and analysed with the goal of pinpointing the fundamental conditions underlying their success or, retrospectively, identifying the factors which could have led them to yield better results or bear greater impact either directly on beneficiaries, or more broadly, on the overall ecosystem within which they were implemented.

Under MedRiSSE, the practices that were identified as 'good practices', and the lessons derived from this analysis, are set to feed into future advocacy initiatives aiming to develop conditions and frameworks conducive to more efficient cooperation between actors from the Social and Solidarity Economy and the public authorities, with particular focus on Mediterranean countries.

In the backdrop of the approach above, the present report is built around the following thread.

### *Framing the concepts and the terminology*

In order to identify the enabling determinants of social innovation and determine the correlation between them so as to better act on them in the future, a prerequisite was to define clearly the concepts, actors and mechanisms underlying the actual concept of 'social innovation'. Indeed, data collection from the capitalized projects, and extensive discussion with stakeholders involved in all of the 5 projects, have highlighted inconsistencies and sometimes contradictions in the understanding and interpretation of certain terms by key stakeholders. Consequently, the study identified a critical need to firstly define and frame a few essential terms and concepts directly correlated with the concept of social innovation. The report focuses on defining the Social and Solidarity Economy, as well as the concepts of co-production and social innovation. It is worth



noting that many of these concepts are 'dynamic' and are still evolving, in the backdrop of a fast-changing increasingly challenging world.

### *Scoping project-based social innovation and deriving lessons learnt*

Zooming in through the lens of public-SSE partnerships, the analysis draws on project experience to assess the co-production and social innovation practices that were actually achieved by the projects. It identifies the main gaps and challenges that the projects have faced with respect to the implementation of their social innovation component. The analysis also dwells on the ingredients of change and the good practices derived from hands-on project experiences. Feedback from the capitalized projects, in terms of challenges encountered, lessons learnt, and good practices identified, serves as first-hand input for future project design and advocacy initiatives.

All of these overarching elements can spark new ideas for designing cooperation initiatives and feed into future initiatives aiming to support the development and strengthening of the SSE sphere – encompassing both actors and institutional frameworks – around the Mediterranean, in ecosystems where EU cultural influence through cooperation has high chances of producing positive impact.



## 1. Concepts and fundamentals of the SSE

Whereas it is not this paper's primary objective to analyse the Social and Solidarity Economy or its correlated concepts extensively, we deemed it important to set an overall frame for those concepts that are, to various extents, at the core of the 5 projects capitalized under MedRiSSE, and consequently, of MedRiSSE itself.

Besides, any learning process or advocacy objective requires clear terminology references to start with. MedRiSSE being a capitalization project, it was essential to identify the key terms regularly used (and misused) across the 5 reference projects, in an attempt to clarify and standardize the wording and especially promote common understanding of the underlying concepts (although this would be an objective way too ambitious given the multiple strands of literature on the topic(s)). Concurrently, this exercise has highlighted some inconsistencies in the use of certain terms by some key informants and key project personnel.

The definitions and explanations below have been elaborated from various sources believed to be credible and reliable. They also refer to several reports and publications that are either unequivocal international references, or references that were either produced by the projects under study, or referred to by KIs interviewed for the purpose of this mission. Some projects have actually established their own reference definitions and concepts in order to set a frame for their initiatives and activities (e.g. iESS!, 'Historique des pôles', 2016).

It is worth mentioning that the standardization or mainstreaming of industry-specific terms (in reference to the SSE sector) and a democratization / dissemination of SSE-linked terminology and concepts would, in principle, be encompassed under MedRiSSE WP 3.1. (widened community of practice portal, managed by Red de Transición) and would serve as first-hand input for any future research, advocacy or project design activity.

### 1.1. Social and Solidarity Economy

#### 1.1.1. The ILO Definition

In its June 2022 international conference focusing on Decent Work and the Social and Solidarity Economy, the ILO has proposed a comprehensive universal definition of the



SSE that appears to be consensual to all stakeholders, and stands today as the first definition of the social and solidarity economy agreed upon at the international level.

The building blocks for this definition of the SSE include a set of principles that are derived from a set of values; in addition to a variety of organizational forms subsumed under the term “SSE” – with local variations circumscribed by national legislative frameworks.

“The SSE encompasses enterprises, organizations and other entities that are engaged in economic, social, and environmental activities to serve the collective and/or general interest, which are based on the principles of voluntary cooperation and mutual aid, democratic and/or participatory governance, autonomy and independence, and the primacy of people and social purpose over capital in the distribution and use of surpluses and/or profits as well as assets. SSE entities aspire to long-term viability and sustainability, and to the transition from the informal to the formal economy and operate in all sectors of the economy. They put into practice a set of values which are intrinsic to their functioning and consistent with care for people and planet, equality and fairness, interdependence, self-governance, transparency and accountability, and the attainment of decent work and livelihoods. According to national circumstances, the SSE includes cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups and other entities operating in accordance with the values and principles of the SSE.”<sup>1</sup>

The ILO resolution highlights the values and principles that distinguish the SSE from other subsets of the economy and make the SSE the framework of a particular mode of entrepreneurship, characterized by the central place given to people and the common good, beyond the mere maximization and distribution of profits. The resolution also underlines that these values and principles should be reflected in national and subnational legislations<sup>1</sup>.

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<sup>1</sup> Report IV on decent work and social and solidarity economy, International Labour Organization, 110th session, 2022



### 1.1.2. Values and Principles

These values can be considered to fall into 5 categories:

- **Care for people and planet:** integral human development, the satisfaction of community needs, cultural diversity, ecological culture and sustainability;
- **Egalitarianism:** justice, social justice, equality, equity, fairness and non-discrimination;
- **Interdependence:** solidarity, mutual aid, cooperation, social cohesion and social inclusion;
- **Integrity:** transparency, honesty, trust, accountability and shared responsibility;
- **Self-governance:** self-management, freedom, democracy, participation and subsidiarity.

A set of SSE principles operationalizes these SSE values. While a particular SSE value or principle may apply outside the SSE, it is the set of SSE values and the set of principles that, together, give coherence to the SSE.

The following 5 principles are today recognized as the fundamental principles of the SSE:

- **Social or public purpose:** SSE units aim to meet the needs of their members, or the community or society in which they work or live, rather than to maximize profits. The purpose may be social, cultural, economic or environmental, or a combination thereof. Promoting internal solidarity and solidarity with society, they seek to reconcile the interests of their members, users or beneficiaries and the general interest. Some national laws refer to this principle as the “primacy of people and social purpose over profit”.
- **Prohibition or limitation of profit distribution:** SSE units that generate a positive result (profit or surplus) must use it in accordance with their purpose. Those not prohibited from distributing profit have significant constraints on their ability to generate and distribute it. Those that distribute surplus do so based on member activity, such as work, service, usage or patronage, rather than on the basis of capital invested. In the event of their sale, transformation or dissolution, many are legally bound to transfer any residual earnings or assets to a similarly restricted unit. Some national laws refer to this principle as the “primacy of people and work over capital”.



- **Democratic and participatory governance:** the rules applicable to SSE units provide for democratic, participatory and transparent governance, enabling member control through active participation in setting policies and making decisions and by holding elected representatives accountable. In primary SSE units, members have equal voting rights (one member, one vote). Horizontal and vertical structures of the SSE are also organized democratically.
- **Voluntary cooperation:** participation in SSE units is not forced or compulsory and must involve a significant element of choice. Members and users join and remain in SSE units voluntarily and freely, without penalty or the threat of a penalty for non-participation. SSE units may engage in voluntary cooperation and mutual support with other SSE units, creating vertical and horizontal structures.
- **Autonomy and independence:** SSE units are self-governed. They must enjoy autonomy and independence from public authorities and other entities outside the SSE, and must not be subject to undue interference or control. If they enter into agreements with other SSE units or public and private sector actors or raise capital from external sources, they must do so on terms consistent with the SSE values and principles.

### 1.1.3. SSE Agents

The agents of the SSE are institutional units that subscribe to the set of SSE values and principles. National legislation and international definitions enable the identification of a diversity of organizational and legal forms in the SSE, including but not limited to: cooperatives, mutual societies, associations, foundations, self-help groups and social enterprises, as described below.

Below are ILO's definitions of the organizational forms most commonly associated with the SSE.

A **cooperative** is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

A **mutual society** is organized by individuals seeking to improve their economic situation through collective activity. It differs from a cooperative because it is a mechanism for



sharing risk, either personal or property, through periodic contributions to a common fund.

An **association** is a legal entity principally engaged in producing non-market services for households or the community at large and whose primary resources are voluntary contributions. A community-based or grassroots association is member-based and offers services to or advocates for members of a particular neighbourhood, community or village.

A **foundation** is an entity that has at its disposal assets or an endowment and, using the income generated by those assets, either makes grants to other organizations or carries out its own projects and programs.

A **self-help group** is similar to both a cooperative and a mutual society in that individuals join in accomplishing goals of mutual support, such as technical and financial support, that would be unattainable on an individual level. However, it differs from both in that it is not principally engaged in commercial activities. Moreover, many self-help groups are in the informal economy.

A **social enterprise** is a unit that utilizes market means but primarily to serve social purposes, such as employing and training disadvantaged individuals (for example, persons with disabilities and the long-term unemployed), producing products of particular social value or serving disadvantaged persons in other ways.

*Note on definitions and circumscribing SSE agents' roles:*

As justifiably pointed out by a report produced by the MedTOWN project<sup>2</sup>, some of the ILO's definitions on SSE agents are not distinctive enough, leaving room for ambiguity. Such ambiguity can be a challenge from the angle of policy design and law making. Feedback from some projects (namely MedUp!) underlines that ambiguity around definitions of legal status can be a real challenge for projects focusing on social entrepreneurship and the promotion of social and solidarity initiatives.

Going back to ILO's resolution on SSE, for instance, 'self-help groups' could encompass a wide range of informal activities, while the differentiation between 'social enterprise'

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<sup>2</sup> Baseline report on the key concepts, dimensions and elements for the evaluation and knowledge transfer framework of the demonstrative actions, Medtown project, June 2022





and other types of typical SSE agents is not clearcut. Such ambiguities have also been identified across the publications and the communication material of projects capitalized under MedRiSSE.

Although the ILO clearly states that national and subnational legal frameworks should refer to both, the values and the principles of the SSE (based on what legislative texts would circumscribe SSE activities and agents subdued to this legislation) there is nevertheless a universal need, upstream or possibly alongside policy design and local legislative work, for more precise homogeneous definitions and a better framing of ‘who does what, how and why’.

#### 1.1.4. SSE as a vector for sustainable economic and social development

Since the turn of the century, the SSE has been gaining visibility, recognition, and hence policy importance. We will not delve into the debate<sup>3</sup> over which of the ‘social’ or the ‘solidarity’ current (the latter being the more radical one, advocating an alternative model for development) better reflects the fundamentals of what the SSE should be. Support to the SSE is now a universal stance and is being put high on policy agendas. In its latest publication on SSE and decent work, the ILO elaborates on the reasons why the organization is focusing its efforts on supporting the SSE.

In line with the ILO’s 2022 resolution and commitment to support the development of the SSE at the global level, the United Nations Inter-Agency Task Force on the Social and Solidarity Economy (UNTFSSSE) has underlined (July 2022) the importance of the role played by the SSE in supporting the UN’s 2030 Agenda and its Sustainable Development Goals, goals that have been even more challenged in the post-pandemic era.

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<sup>3</sup> Global Vision for a Social Solidarity Economy: Convergences and Differences in Concepts, Definitions and Frameworks, RIPESS (Intercontinental Network for the Promotion of SSE), February 2015



Getting on track to achieving the UN's 2030 Agenda and the SDGs and realizing a resilient, inclusive and sustainable recovery from the covid-19 pandemic will not happen through a business-as-usual approach. There is need to identify alternative economic models that can accelerate their achievement. Social and Solidarity Economy (SSE) can play a substantive role in achieving the SDGs, especially considering its different roles:

**Transformative agent of change:** A growing interest among development practitioners, academics, activities and policy makers in forms of economy that are “people-centred and planet-sensitive” has positioned SSE as a significant element in transformative change and achieving the SDGs. In fact, as a source and means of sustained, inclusive and sustainable economic growth and full and productive employment and decent work for all, SSE has a great potential to facilitate innovative and sustainable solutions to the economic, social and environmental challenges, address the root causes of inequality and exclusion, and ultimately contribute to realizing the transformative vision of the 2030 Agenda for Sustainable Development.

**Cross-cutting nature of the SSE:** SSE organizations and enterprises contribute to achieving multiple goals and targets *simultaneously*. As they create opportunities (through collective action), extend social protection (through mutual assistance) and empower individuals and communities (through membership-based, democratic management)<sup>1</sup>.

**Localizing enabler:** The 2030 Agenda for Sustainable Development requires implementation at the local or sub-national level. The involvement of SSE organizations and enterprises is a promising strategy for localizing the SDGs as they are rooted in their communities where they play an essential role in local economic development and local governance.

*United Nations Inter-Agency Task Force on the Social and Solidarity Economy (UNTFSE)  
– May 2022*

The present section draws mainly on extracts from ILO's landmark report<sup>4</sup> that has paved the way for the universal definition of the SSE and confirmed the prioritization of the SSE in the framework of international cooperation. The report offers a synopsis of how and why the SSE is perceived as a major contributor to growth and to social

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<sup>4</sup> Report IV on decent work and social and solidarity economy, International Labour Organization, 110th session, 2022



development, and has the capacity to help closing up on the 2030 Sustainable Development Goals. It clearly emphasizes why governments should consult with social partners and enable SSE units.

In terms of relevance, the present paper is showcasing the ILO's findings as they represent high levels of similarity and consistency with experiences derived from the projects capitalized under MedRiSSE, or conclusions that these projects have reached. They also highlight a significant number of cross-cutting issues that equally intrinsically mirror project experiences.

Moreover, the experience-driven statements presented hereafter offer fertile grounds for both practical supportive actions and advocacy initiatives across topics and across beneficiaries (countries and stakeholders). They highlight numerous opportunities for development cooperation and provide guidance for designing potential future action.

*Annex 1* presents a more elaborate analysis of the ILO's advocative stance regarding full-fledged worldwide support to the SSE.

## Employment and income generation

- SSE actors generate direct and indirect employment.
- SSE units operate across various stages of supply chains.
- SSE units may use different strategies for scaling up to overcome productivity challenges. They can grow horizontally (networks, franchises, subsidiaries), vertically (setting up secondary and tertiary structures to provide services), and transversally (infusing SSE values and principles into the local economy).
- SSE units are particularly effective in promoting job and income opportunities and in reducing inequalities in rural areas.
- SSE-related social finance institutions contribute indirectly to job creation by providing the capital required to establish an enterprise or acquire essential means of production.
- SSE units provide a wide range of services to their members and communities that improve incomes and livelihoods.
- SSE units can play a pivotal role in enhancing the productivity and competitiveness of enterprises by generating economies of scale through providing collective services.



## Social protection and the provision of social services

- The SSE can support building and operating social protection systems (health insurance, care services). SSE units can partner with social protection institutions.
- SSE units have a role to play in national social protection systems by facilitating access to social protection for their members or for some population groups thanks to their proximity with the communities they serve.
- SSE units have a potentially growing contribution as service providers. SSE units address care needs for diverse excluded or vulnerable populations.

## Rights at work

- SSE units can significantly contribute to promoting fundamental principles and rights at work, decent work and economic growth by advancing and applying international labour standards.

## Gender equality

- In mobilizing the SSE to further gender equality, progress is achieved in terms of economic participation of women in SSE units, and inclusion in general.
- The SSE also offers observable benefits in respect of accessing affordable services for women, for instance in housing and finance and a range of care services.
- The democratic and participatory governance of SSE units also allows women the opportunity to engage in decision-making and power-sharing, allowing them to be better positioned to address personal and communal needs such as freedom from discrimination, violence and harassment.

## Social dialogue

- SSE units, particularly the larger ones and their federations, may participate in social dialogue as employers or as community organizations alongside government, employers' and workers' organizations. Such dialogue could even be cross-border.

## Transition to the formal economy

- The SSE can be a vehicle for informal workers and organizations to engage in the transition to the formal economy. These informal agents can either get organized



within the SSE or get support from SSE structures to gain legal recognition and access to basic social services.

### **Crisis prevention and recovery, and promotion of peace and resilience**

The role that the SSE plays in immediate crisis relief is being acknowledged by governments at the local and national levels, especially in the provision of social services.

- They have proven efficient in addressing the social and economic needs of refugees and host communities.
- They contribute to social capacity and peacebuilding functions, such as networking, solidarity and trust-building, problem-solving, reconciliation and bridging between cultures.
- The SSE can play a valuable role in post-conflict situations, by taking part in conflict-sensitive and peace responsive recovery and reconstruction efforts.

### **A more equitable digital transition**

- By connecting businesses and customers to employees, digital work platforms set up by SSE units are transforming business processes with significant impact on the future of work.
- SSE units offer a range of alternatives for workers, producers and users of digital services. They can contribute to circumventing middlemen and creating fairer more transparent marketplaces.

### **A just transition to environmental sustainability**

- SSE units in sectors ranging from agriculture and housing to energy are greening their operations and lowering their environmental footprint.
- They have also been promoting the rights of informal workers usually involved in waste collection and sorting, advocating their inclusion and recognition.
- They play an impactful role in awareness raising on environmental issues and have contributed to creating new value chains in many countries.
- Many SSE units contribute to food networks associated with fair trade, solidarity purchasing and collective provisioning.



## 2. Participatory Service Models: Co-production and Social Innovation

In this section, for the purpose of defining co-production and social innovation, the study has capitalized on both previous research done in the framework of the 5 capitalized projects, and the actual experience of the projects as well as feedback from the stakeholders involved.

### 2.1. Background rationale

Because of disaffection with the traditional, heavily statist system and the unequal inequitable liberal system – both equally inefficient in terms of efficiently providing public goods or services, - participatory service models that incorporate stronger connections between the public sector and civil society actors (NGOs, community-based organizations, associations etc.) have emerged.

Responding to concerns about the extent to which the state, on the one hand, and the market, on the other, can realistically provide public services that adequately meet the needs of different citizens, the concept of co-production has emerged as a form of governance involving the contribution of multiple actors to public services.

This partnership model for the delivery of social services seems all the more worth developing as economic crises and budgetary cutbacks are weighing on growth and on social welfare, with the most vulnerable populations being severely penalized. In this framework, co-production processes emerge as models where citizen engagement is strengthened within a bottom-up participatory approach.

Social innovation as well, emerges as the engagement of society itself, across sectors and at various intervention levels, in the innovative provision of social services that would otherwise not have the sought-after impact if they were provided through mainstream models of public or private delivery – thus generating adequate social impact.



## 2.2. Co-production

### 2.2.1. Definition and multi-perspective approach

As stated by Bance, Bouchard and Greiling (2022) in their recent milestone publication<sup>5</sup> below<sup>5</sup> on the issue, “a plethora of different definitions of co-production exists. Instead of co-production, co-creation is sometimes used as the umbrella term”.

Below are a few of the reference definitions and lines of analysis brought by Bance, Bouchard and Greiling, highlighting different perspectives under which co-production can be analysed.

#### Focus on active citizen involvement

Co-production is “the process through which inputs used to provide a good or service are contributed by individuals who are not in the same organisations. [...] Co-production implies that citizens can play an active role in producing public goods and services of consequences for them” (Ostrom, 1996).

Citizens can have three roles in the citizen-centred co-production partnerships, namely the role of citizens as co-designers, the role as co-implementer and the role of citizens as co-initiator for collective actions (Voorberg et al., 2015).

The term co-production is also used to describe situations in which the state is not the only implementer of public policy, but shares responsibility with non-State organizations, from the private sector, the third sector, or both sectors at once (Vaillancourt, 2009).

For Bassi and Fabbri (2022), co-production occurs on the micro or service delivery level where citizens are at least in some parts involved as co-producers of public services. But there are other dimensions of co-creation on the service delivery level:

- the co-design dimension: it focuses on the joint service configuration,
- the co-production dimension involves direct interactions between front-line professionals and citizens,
- the co-implementation dimension where co-producers are engaged in the joint decision-making and how the co-produced service should be maintained,

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<sup>5</sup> Bance, Bouchard and Greiling, “New perspectives in the co-production of public policies, public services and common goods”, International Centre of Research and Information on the Public, Social and Cooperative Economy, 2022





- the co-evaluation or co-assessment phase, where the involved partners provide suggestions for service improvement and service innovations.

### Focus on the public management dimension

Co-production is addressed within the framework of a public sector logic. The four Co-model includes the following modes: co-commissioning, co-designing, co-delivery and co-assessment (Bovaird et al., 2019).

Each of the four Co's include subdimensions. While *co-commissioning* includes co-planning of policies, co-prioritization of services (e.g. by participatory budgeting, vouchers or personalized budgets) and co-financing of services (e.g. by crowdfunding), in the *co-designing* phase citizens (and communities) are involved via user fora, mandated or voluntary services user boards, or in service design labs. *Co-delivery* of services and outcomes embraces the co-management of services (e.g. managing public libraries, sport faculties, community centres) and the co-implementation of services.

Co-production of services designates activities or organizations in which users (or clients or citizens) participate in production and management on the same basis as employees. *Co-assessment* evaluates continuously or ex post the co-produced services and outcomes. While co-delivery is about citizens' action, the other three Co's are primarily about citizens' voice.

### Motives for co-production partnerships

There are at least three motives behind co-production:

- Co-production increases the efficiency and the effectiveness of public services and public policies. The pooling of resources puts the responsibility for resource mobilisation on more shoulders and also aims for increasing the acceptance rate for public policies.
- On the service provision level, an envisaged result is that services are better tailored to the needs of citizens as service users.
- The third line of reasoning sees co-production partnerships as a means for addressing democratic deficits by giving citizens a more direct voice.

### *The time perspective of co-production*





In the short term, co-production emphasizes efficiency, has positive effects on synergy and on service quality.

In a medium-term perspective, it has positive effects on the service effectiveness and creates public value.

The long-term perspective focuses on positive societal outcomes and the potential of co-production for transformational change at the system level. Such a change requires that old structures are destroyed and new structures are created. In a best case scenario, this would make room for social and societal innovation. To achieve social innovations, much room for experimenting is needed at all levels of co-production (Evers & Ewert, 2021).

### The extent of inclusion beyond citizen involvement

While one stream of research limits co-production to interactions between public sector actors and citizens at the service delivery level, another extends the range of actors to organisations, within the broader concept that public sector actors can work with network structures and build partnerships with those other actors.

Collaborative action in co-production networks can be (1) on the policy design, (2) policy implementation, (3) service design or (4) service implementation level.

#### 2.2.2. Challenges to co-production

There is a multitude of challenges to the transformational logic behind co-production.

While the positive effects of co-production is usually set forth in the argumentation around it, realistically, there are many barriers to its potential. Not only are these barriers time-consuming, but they are also prone to an *inherent mismatch between the societal status of those citizens and groups, who are active in co-production partnerships, and those who have a long record as recipients of the output and outcome of these co-production partnerships.*

The lack of involvement of people who are experts through experience is an inherent problem. Co-production policy partnerships should include a diverse set of stakeholders for achieving better effectiveness. Those who are the target groups of co-constructed public polices and services should have a voice in these partnerships (Fraise, 2022).



Moreover, co-production partnerships have to deal with inherent *tension between different logics* and role perceptions of the involved partners. Various professionals not only need to interact with each other in these partnerships, but collaborations with citizens and other civil society actors without a professional background are also required. Tensions between professionals and volunteers are a well-known challenge in third sector organisations, too. Clashes between the professional mindset and the mindset of other civil society actors are likely. It depends on the openness of the partnership members. Building a trustful relationship between partners is therefore essential.

*Power asymmetries* are also a limiting factor as they are a source of conflict. The dominance of the public partner in the public-SSE partnerships is perceived as a hindrance for the transformational potential of co-production. Willingness and capabilities to collaborate at all levels of the co-production partnerships are important factors of success. Professionals should work together and overcome the latent or open conflicts between them. That is why co-production partnerships are likely to be more effective when they are institutionalised, thanks to an appropriate design and enforcement of governance mechanisms in co-production partnerships. Additionally, clear conflict resolution mechanisms are essential.

### 2.2.3. Conclusive remarks

The following table highlights stages of co-production, through forms of participation in which citizens enjoy levels of influence and responsibility over public services, ranging from partial user involvement in service development to full control and ownership (closing up on what is known as ‘social innovation’).

| Consumer co-production  | Participative co-production  | Enhanced co-production  |
|---|--|---|
| User empowerment<br>Citizen as co-implementer   | User participation<br>Citizen as co-designer   | User-led innovation<br>Citizen as initiator   |
| Engagement of consumers at the <i>operational stage</i> of service production process in order to balance their expectations and experience of the service. | User involvement through consultation and participative planning mechanisms during the <i>strategic planning and design stage</i> of service production and delivery process to improve quality of existing public services. | Users initiate and are involved in formulating and developing both operational and strategic modes of co-production that challenge the way that services are delivered. |



Table 2. The co-production continuum<sup>6</sup>

Below are some practices that are influential elements for a co-production process<sup>7</sup>

- The degree of autonomy of the local or regional government
- Welfare state importance and traditions
- The role of SSE actors
- Country-specific answers (context specificities)
- The government and the community logic
- The role of citizens in decision processes

## 2.3. Social innovation

### 2.3.1. High level definitions that set the frame

The working definition of social innovation adopted in the framework of the OECD LEED Program (Local Employment and Economic Development) was that it "can concern conceptual, process or product change, organizational change and changes in financing, and can deal with new relationships with stakeholders and territories".

"Social innovation" seeks new answers to social problems by:

- Identifying and delivering new services that improve the quality of life of individuals and communities,
- Identifying and implementing new labour market integration processes, new competencies, new jobs, and new forms of participation, as diverse elements that each contribute to improving the position of individuals in the workforce.

Social innovations can therefore be seen as dealing with the welfare of individuals and communities, both as consumers and producers. The elements of this welfare are

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<sup>6</sup> Co-production: Enhancing the role of citizens in governance and service delivery, Technical dossier 4, European Social Fund Transnational Platform, EU, May 2018

<sup>7</sup> Bance, Bouchard and Greiling, 2022, quoted in "Baseline report on the key concepts, dimensions and elements for the evaluation and knowledge transfer framework of the demonstrative actions", MedTOWN, June 2022



linked with their quality of life and activity. Wherever social innovations appear, they always bring about new references or processes.

Social innovation deals with improving the welfare of individuals and community through employment, consumption or participation, its expressed purpose being therefore to provide solutions for individual and community problems.

The OECD offers a more synthetic definition. Social innovation refers to:

*(what?)* the design and implementation of new solutions that imply conceptual, process, product, or organizational change,

*(what for?)* which ultimately aim to improve the welfare and wellbeing of individuals and communities.

*(implemented by whom?)* Many initiatives undertaken by the social economy and by the civil society have proven to be innovative

*(to tackle what type of problem?)* in dealing with socio-economic and environmental problems, while contributing to economic development.

*(any conditions of success?)* To fully tap the potential of social innovation, an enabling policy framework is needed to support public, non-profit and private actors to co-construct and implement socially innovative solutions and thereby contribute to address socio-economic issues, build stronger territorial resilience and better respond to future shocks.

### **2.3.2. Blurred boundaries: how innovative does a social innovation have to be in order to be labelled innovative?**

As highlighted by Samuel Barco Serrano in his report for MedTOWN project, there are different strands of literature on social innovation with dichotomic approaches to the concept.

In some instances, the main divergence lies in the focus that is made:



- either on the *object* of the change (the actual achievement, the object or the tool that will provide the marginal improvement in quality of life – identified as the subsequent ‘social change’)
- or otherwise, on the *process* leading to the achievement (with reference to the underlying transformational process whereby the groups of beneficiaries benefiting from the change are actually empowered and democratically involved in the conception and design of the solution, itself brought to life thanks to the practical intervention of SSE actors).

In others, the extent of the change produced by the innovation is measured against the existing regulation or the size of the issue or the problem, thus determining if the social innovation is radical or incremental. For instance, an action generating a radical change would be considered more ‘innovative’ (a bigger innovation) than a social innovation that would have an incremental impact, creating a series of small innovations which slowly incrementally improve a specific issue or solve a problem.

From yet another viewpoint, a social innovation is evaluated based on its sustainability potential. A social innovation would be qualified as strong if a certain regulation or institutional mechanism, or even the adoption by ecosystem actors, guarantees that the achievement of this social innovation is not left up to the good will of a few people with decision power. It would otherwise be a weak innovation if it does not play a radical part in solving a problem permanently.

### 2.3.3. Assessing social innovation by assessing its social impact: the Impact Compass model

“Social innovation is the process of developing and deploying effective solutions to challenging and often systemic social and environmental issues in support of social progress. Social innovation is not the prerogative or privilege of any organizational form or legal structure. Solutions often require the active collaboration of constituents across government, business, and the non-profit world.”<sup>8</sup>

#### Stanford University’s Impact Compass Model

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<sup>8</sup> Sarah A. Soule, Neil Malhotra, Bernadette Clavier, Stanford University, Graduate School of Business



According to Stanford's Centre for Social Innovation, social innovation can be assessed according to its impact. In turn, its impact can be assessed according to what the Stanford Business School presents as the Impact Compass<sup>9</sup>. This tool gives a holistic picture of the impacts of an initiative on stakeholders. The model captures six dimensions of social impact that an initiative (project, policy, investment, ...) could have on stakeholders, thus allowing for its definition and for gauging its social impact.

The graphic representation of the Impact Compass model is quite talkative. Greater details on the approach are found in Annex 4.

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<sup>9</sup> The Impact Compass, White Paper, Center for Social Innovation, Stanford Business School, <https://www.gsb.stanford.edu/experience/about/centers-institutes/csi/impact-compass>



## The Impact Compass: the 6 Dimensions of Social Impact



### 2.3.4. Keeping it simple ... the Mannheim declaration (2021)

The European Social Economy Summit held in Mannheim (Germany) in 2021 aimed to outline concrete steps to unlock the full potential of the social economy in the EU. Following is the recommendation on social innovation:

“The social economy is a pioneer in identifying and implementing social innovation and alternative ways of organizing economic activities. Many of these innovations have been mainstreamed and adopted by the rest of the economy (such as fair trade and ethical finance). Social economy organizations can expand social innovation to address pressing environmental and societal challenges by focusing on social impact and



working with local stakeholders. Concrete policy measures, in the form of suitable legal frameworks, incentives and access to funding are needed to support these new businesses to develop social experimentation.”

### 2.3.5. So where should the cursor be set?

However ‘innovative’ a social innovation, and whatever its object, what clearly comes out of the literature reviewed for the purpose of this report is practically synthesized by the approach of the Réseau Québécois en Innovation Sociale (RQIS)<sup>10</sup>:

- Social innovation is a process (and its outcome) involving a range of stakeholders who are directly involved in the framework of a participatory approach, facilitated by SSE agents; the solution should have found acceptance within the community of beneficiaries and recognition of its benefits on the community.
- Social innovation refers to new ideas, strategies or interventions; new services, products or laws; new types of organizations that meet specific social needs in more effective and sustainable ways than before; solutions that have been championed within institutions, organizations or communities.
- The scope of social innovation is transformative and systemic. Inherently creative, a social innovation breaks away from what came before.
- Social innovations are “social,” both in their processes and end results. They meet social needs while forging new relations between people and groups that may not otherwise collaborate.
- Social innovation can only be born in a spirit of openness. In this sense, social innovators cannot rely on internal sources of knowledge for innovation but they should also turn to multiple external sources to drive innovation, in the framework of what is referred to as ‘open innovation’. This dimension of openness is inherently compatible with the participatory approach of co-production that underlies social innovation.

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<sup>10</sup> Quebec Declaration on Social Innovation, Le réseau québécois en innovation sociale, April 2011





### 2.3.6. Supporting the emergence and sustainability of social innovations: enabling factors

The RQIS has identified 12 key factors with regards to enabling the emergence and sustainability of social innovation projects:

1. Social innovation is triggered by a combination of factors: an unresolved social issue, a context that is conducive to a new solution (crisis, government policy, etc.) and the willingness of stakeholders to work together in search of a solution to a specific problem.
2. Solutions stem from the collaborative work of several stakeholders in society, and since problems are multi-faceted, often even stakeholders who wouldn't normally collaborate.
3. Innovation projects combine experiential knowledge with scientific and technical knowledge, and take into account the given cultural context. Combining these different fields of knowledge leads to joint production of new knowledge.
4. Projects are transformative in scope, and aim for systemic change.
5. Partners are at once daring and capable of coping with the element of the "unknown." They recognize the inherent risk involved in an innovation project and are able to deal with it until the end of the process.
6. Three forms of leadership are necessary for the project to succeed: 1) The individual leadership exercised by the project initiator(s); 2) The organizational leadership characterized by the support of organizations involved in an innovative practice that surpasses their usual practices; 3) The collective leadership that emerges in the community implementing the project.
7. Long-term commitment on the part of the sponsors is crucial.
8. Time is a fundamental issue. Time is needed to conceive and carry out the project, and to establish bonds of trust between partners. Additional time is required to evaluate the project and to ensure its dissemination, replication and appropriation by the involved communities, guaranteeing a shift in practices.
9. The project needs to have impact in order to be recognized and eventually institutionalized.
10. Stakeholders must adjust to various contexts and to the shifting environment in which partners operate.



11. The project's transfer, appropriation and sustainability are essential components of its ultimate success. It needs to be adopted by its target group and meet its pre-established goals.
12. Established bonds of trust between the stakeholders, expressed through shared governance, are the project's glue.

### **3. Preliminary Findings from the Capitalized Projects: Co-production, Social Innovation and Relevant Cross-cutting Issues**

Under MedRiSSE, WP3 and WP5 are in many ways complementary; put simply, both groups of tasks build on identifying the achievements of the capitalized projects in terms of co-production or social innovation accomplishments, and decrypting the conditions of their success – and in some cases, the reasons behind their failures or underperformance.

Whereas WP3 (led by ARCO) focuses on a replicability methodology for co-production models or social innovation experiences that were deemed to be successful in previous projects, WP5 (led by Oxfam Italia) focuses on analysing the ingredients of these successful co-production experiences and the good practices that have emerged around those experiences, or that have been identified as being necessary for future experiences of co-production or social innovation. Several cross-cutting issues have also obviously emerged as being common to several projects and have been analysed in the framework of the co-production and social innovation experiences and good practices deriving from the projects' experience.

#### **3.1. Scoping co-production and social innovation in the framework of the 5 projects**

All five projects capitalized under MedRiSSE were (some still are) implemented (exclusively or not) in Southern Mediterranean countries that have weak social service schemes failing to address the real drivers of poverty, inequality, and exclusion. In other words, these contexts can only benefit from cooperation projects or initiatives that



enhance stakeholders' capacities to take part in improving their daily lives. That would be one of the foremost basics of co-production.

This section analyses to what extent each of the capitalized projects touches – directly or indirectly – on co-production and social innovation.

### 3.1.1. MedUp!

#### *Promoting social entrepreneurship in the Mediterranean region (2018-2022)*

MedUp! focuses on promoting social entrepreneurship, a driver for inclusive growth and job creation.

In fact, the project's ambition was to instigate systemic change in the target countries, in terms of initiating change across the whole ecosystem, such that social entrepreneurship would become an inherent part of it. In order to do so, the project intervened on all of the micro, meso and macro level.

At the macro level, the project's objective was to contribute to an enhanced enabling policy environment for social economy organizations and enterprises project to thrive. It promoted, in the 6 target countries, policy and advocacy initiatives as well as public-private dialogue to create such an enabling regulatory and policy environment that would help build an ecosystem conducive to the development of social entrepreneurship.

At the meso-level, MedUp! implemented capacity building and networking activities whose aim was to support circa 60 entrepreneurship support organizations. These SESO's (incubators, accelerators) were used to work with normal mainstream businesses. The project engaged with them on a transformational process, leading them towards opening up to new and different approaches, practices and methodologies adapted to social enterprises.

The project's micro component supplied direct support (technical and financial) to around a hundred social enterprises operating in the project's target countries (Jordan, Egypt, Lebanon, Morocco, Palestine and Tunisia). In the framework of its awareness raising and capacity building efforts, and in order to optimize outreach, MedUP! involved the academia. Universities are excellent starting points to achieve familiarity with the concepts and the philosophy behind social entrepreneurship and to mobilize



young entrepreneurs to start social businesses by infusing both an economic and a social mindset.

MedUP! also reached out to the larger public. The project focused on broad awareness raising campaigns and information dissemination on social entrepreneurship in order to raise cultural awareness on the topic and rally the public.

In this framework, MedUp! created a momentum and set the grounds for potential future public-private-SSE partnerships and co-delivery of social services. Although the project produced no co-production achievements per se, however, work achieved at macro level with policy makers was a preliminary for future co-production actions where SEs, local authorities and policy makers could work together in order to deliver social procurement programs where the public authority owns the policy and the SE delivers the welfare services to the beneficiary communities.

Be it at macro, meso, or micro level, MedUp! ensured a great deal of awareness raising around the concept and the perception of social entrepreneurship, tackled the importance of supporting this sector of the economy and advocated for pursuing public-private-SSE dialogue in order to advocate a bigger role for SEs.

One of the targets of MedUp! was to have SEs recognized as credible trustable agents that could be invested in order for them to deliver welfare services. This project realization is, in itself, a stepping stone for potential future co-production, should the activism of the social enterprises pursue this goal and should the political will support this trend.

### 3.1.2. iESS!

#### *Initiatives d'Emploi en Economie Sociale et Solidaire pour la création d'emploi à travers l'ESS (2014-2018)*

iESS! was implemented only in Tunisia. It sought to promote sustainable employment opportunities, especially for youth and women, by creating and strengthening the network of SSE enterprises in 4 Tunisian provinces. iESS! operated at 3 levels: micro, meso and macro.

Micro: mainly through awareness raising and developing competencies around the concepts of the SSE in order to promote social initiatives and create jobs in this field.



Meso: by providing funding, support and capacity building to those existing organizations that support enterprises at local level.

Macro: by setting up support structures for the SSE, with two multi-service territorial support centres (CitESS) in Sidi Bouzid and in Mahdia to support the local SSE organizations through various services including funding and networking, and four co-working and incubation spaces (known as Lingare) in 4 Tunisian regions.

One of the project's indirect achievements is the Tunisian framework law on the SSE in 2020, a policy achievement for which the project's consortium partners and SSE community lobbied actively. However, the law's application decrees have not been issued to date, leaving room for advocacy efforts to operate.

**The CitESS, a SESO with built-in social innovation potential** CitESS stands for 'cité de l'économie sociale et solidaire', i.e. 'city of the social and solidarity economy'. The CitESS is the project's main co-production initiative it has outlived the project and appears to be on the right track for sustainability.

The CitESS represents the physical or virtual grouping, within the same geographical area, of a set of complementary and synergistic local services/structures to which any SSE entrepreneur (with priority given to women and young people) can turn to in order to get support for the creation, development and sustainability of their enterprise. It can be assimilated to a local platform, hub, a cluster, or a one-stop-shop for incubating and supporting SSE organizations. It is set up as an association with partners from the public, private, and SSE sectors, and offers SSE actors, whatever their development stage, legal support, counselling, capacity building, networking, marketing services, eases access to information and to finance, etc.

The CitESS can consistently be considered a model of social innovation. It is in itself an SSE organization, borne by the SSE, and is based on strong collaboration with the local public sector. Moreover, it aims – through a series of co-produced supportive services, to improve the economic and social situation of the beneficiary social enterprises (whose aim is, all the more, to keep conceiving and providing innovative social services), and by doing so, has direct and indirect positive spillovers on the SSE community and on society as a whole, with job creation dynamized, and youth and women employment directly impacted.

The CitESS is, according to the implementing partners of iESS!, the main achievement of the iESS! project. The project was actually built around the concept of setting up SSE



clusters in underprivileged Tunisian regions. According to iesMed, one of the leading consortium partners who implemented iESS!, the concept and model of CitESS is a promising one, worth replicating around the Mediterranean basin, with the ultimate ambitious objective of creating a network of CitESS across the Mediterranean, setting serious grounds for the development of the social and solidarity economy in the region, and hence contributing to levelling the developmental gaps that have been cumulated by the Middle Eastern and North African Mediterranean countries in terms of SSE concepts, initiatives, legal frameworks and integration within the national ecosystems. Basically, the iESS! project has established the CitESS as a sort of SSE label with potential for growth and intrinsic replicability.

### 3.1.3. MoreThanAJob

#### *Reinforcing social and solidarity economy for the unemployed, uneducated and refugees (2019-2022)*

MoreThanAJob aims to promote the social inclusion of vulnerable, unemployed populations by applying inspirational experiences and good practices identified at the international level, pertaining to the collaboration of SSE actors and public authorities for delivering their services in a more effective way.

The overall objective of the project is to promote inclusion through education and employment of vulnerable communities.

Practically, the project has set a framework of successful practices and co-production models that were meant to inspire local initiatives. Some of those initiatives – inspired by international experiences and adapted to the local context – would be borne by sub-projects. The latter would benefit from sub-grants in order to set up the social service, work in close cooperation with the public authorities (MoUs would be signed with relevant public entities) and hence efficiently deliver a social service based on a model of co-production inspired by tested good practices.

On another note, because the project operates in different regions, MoreThanAJob has set up a portal that facilitates communication between all partners, and the different SSEs involved, and is a tool for networking and fostering collaboration. The portal itself is merely a tool; yet, the purpose it serves indirectly supports the SSE in terms of knowledge dissemination, fostering collaboration, facilitating communication flows with various other stakeholders – among which the public sector. As this digital



platform is likely to outlive the project structure, it is also likely to become a space for discussion and exchange, easing and developing value-added communication and potential partnerships in the framework of co-production or social innovation initiatives.

Observation remark: It is worth noting that the study has detected a certain confusion in the terminology used within the MoreThanAJob project. This tends to make the project's reports more challenging to comprehend and possibly even, negatively influence the perception of the project's achievements and impacts. The misuse is mainly made of the expression 'best practices' whereas it would probably be more pertinent to use 'good practices' or better still in the framework of the project, 'replicable international experiences' or 'replicable co-production models' (when relevant).

#### 3.1.4. RUWOMED

*Supporting and connecting rural women's traditional know how in the Mediterranean through the promotion of fair trade products (2012-2016)*

RUWOMED aims to improve income generating opportunities for vulnerable women by setting up and strengthening existing SMEs and women cooperatives to become efficient, viable and sustainable economic entities, thus ensuring a decent source of income for them and their households.

In order to do so, the project implemented a capacity building program for the targeted entities, supported them with inputs and funding and actively promoted their products both locally and internationally (mainly in Spain) – namely by training them on fair trade principles and methods and by connecting them to fair trade networks.

While the project does not showcase any straightforward link between women empowering activities and co-production or social innovation, it goes without saying that empowering a key constituent of society can only be perceived as an enabling factor for a greater more efficient involvement of vulnerable communities (in this case, women) in influencing social policies and the way social services are provided. This is all the more true in patriarchal societies with conspicuous gender imbalance and legal frameworks that translate little or no gender justice, and where social needs are





numerous due to very challenging economic and social realities (e.g. contexts where RUWOMED was implemented, i.e. Palestine and accessorially, Lebanon).

Also worth noting is that cooperatives are, per se, built on SSE principles and values. Hence strengthening women cooperatives is a constructive step towards building an SSE sphere which can gradually be backed up by the supportive legal and institutional framework that it needs in order to thrive.

### 3.1.5. MedTOWN

#### *Co-producing social policies with SSE actors to fight poverty, inequality and social exclusion (2019-2023)*

MedTOWN capitalizes on the combined potential of agents of the social and solidarity economy, citizens and local authorities to co-produce the social policies that can fight poverty, inequality, social exclusion, and environmental unsustainability.

In this co-production frame, the project is articulated around the provision of capacity building for SSE agents, innovative and technological tools (IT applications) to be developed by practitioners and implemented with the support of local public authorities, as well as networking opportunities to amplify the impact and enhance sustainability.

The project also includes a demonstrative action (intended for adaptation and replication) with an experimental experience based on the introduction of a locally-used digital currency that would allow for the delivery of financial aid to vulnerable communities while promoting local businesses and therefore creating local economic momentum. The model is assimilated to a social innovation as it helps support vulnerable groups (social service delivery) thanks to a technological tool (innovative dimension), implemented with the support of the local authorities (co-construction dimension) and with the support of the SSE (organization(s) developing the e-currency and its integration in the local economic cycles (interfaces with local small businesses, mobile payment tools, etc.), and reaching out to the targeted vulnerable groups.

On yet another level, the CoP (community of practice) set by MedTOWN touches on the learning dimension. While it is in itself, an outcome of the project – and not a social innovation - it is a high-potential tool for supporting and promoting awareness raising, learning and R&D endeavours across a broad range of needs and stakeholders. Once it





is fully operational, the platform could become a knowledge hub for any topic closely or remotely related to co-production and SI, passing through SSE, SENT, etc.

Under MedRiSSE, the tool is intended to be further developed to become an open source tool available for innovators, researchers and policy makers to improve their skills in co-production, in the development of an SSE-enabling ecosystem and in the promotion of social innovation for the provision and improvement of social services.

*Annex 2* gives a general overview of the 5 projects.

*Annex 3* maps the partnerships involved in project implementation, underlining high collaborative potential and knowledge exchange across countries, intervention topics, local operational challenges, etc.

### **3.2. Observations on cross-cutting issues, lessons learnt and good practices**

The 5 projects capitalized under MedRiSSE showcase fundamental cross-cutting issues and practices that can be analysed, and serve as critical takeaways that could later feed into:

- the conceptualizing and design of future aid and cooperation projects, in the framework of increasingly complex and disparate operating environments
- local, regional as well as international advocacy initiatives aiming to upgrade and customize policy approaches and country-specific legal frameworks, in the broader objective of promoting the development of the SSE (values, principles, actors) as a powerful tool for closing up on the SDGs at country and at global level
- actions and programs supporting private, public, and especially, combined initiatives that build on complementarity between the private and the public sector. Such programs would be based on healthier cooperation mechanisms, bridging between private and societal interests, implemented through innovative cooperation models yielding beneficial impacts across stakeholder categories and for society as a whole.



The hands-on experience derived from the various project activities have already allowed the identification of several risks, challenges, good practices and opportunities (but also missed opportunities) relevant to co-production and social innovation.

### 3.2.1. Project design components in favour of co-production and social innovation

#### An advocacy component

The capitalized projects all have an advocacy component. Key informants have highlighted the importance of the leveraging ensured by this component across projects. They all align on the following statement: “the project has set a momentum, along with sound bases for future cooperation with the public authorities around social topics. Beyond the project’s timeframe, it will be up to the SSE agents to pursue advocacy, both in terms of strengthening the SSE and of promoting public-SSE partnerships”.

While each of the capitalized projects focuses on one or several aspects conducive to promoting practical partnerships between the private or third sector on the one hand, and the public sector on the other, for the purpose of improving the design and the delivery of social services, there is a common cross-project conviction that the development of the social and solidarity economy (components and overall ecosystem, including legal framework) is critical to fuel inclusive growth, and more specifically growth with a betterment of social services in the backdrop of increasingly challenging environments.

#### A multi-stakeholder approach

The involvement of various stakeholders is also central to all 5 projects. Each project has promoted collaboration between stakeholders to various extents. A nucleus of partners or potential partners has been created in each country or area of implementation, often involving the relevant local authorities. The 5 projects have actually set the grounds, in the regions and countries where they have operated, for such cooperation to be developed.



### 3.2.2. The public policy setting is key

“Public policy encompasses policies made by governments that affect and influence every member of a nation-state or a subnational jurisdiction”<sup>11</sup>. With this regard, a few observations are made:

The capabilities of the public sector differ from one country to another. This is related to a broad range of elements: historical and cultural legacy, the extent of development of the legal framework, the extent of involvement of the state in the provision of social services (the extent of the welfare state), available resources, public budgets, as well as the size, governance, and ‘maturity’ of the public administration.

Consequently, when it comes to social innovation and potential partnerships between the public sector and the SSE sector, the components of a co-production and its success factors would vary considerably between a scenario where the public sector is institutionalized and governance is transparent, and a scenario where the public sector and state governance are weak, public policy non-existent or not implemented efficiently.

Even where public policy is undefined, a supportive public stance is a good starting point for any action aiming to foster the SSE or, farther still, the co-production of social policies or of social services.

For instance, feedback from projects operated in Palestine reflects a challenging relationship between projects’ management, the SSE agents involved, and the public authorities invited to partner with the project and play a part in the implementation. Interviews with KIIs reveal that private sector actors and SSE units lack trust in the Palestinian authorities. They are not used to collaboration with them nor do they have any expectations regarding support from the authorities to their private initiatives. There is no questioning the good intentions of public servants or their willingness to support the initiative and play an active part in achieving the project’s goals. There is a sort of anchored culture of ‘do it by your own means’ that results from long years of public sector weakness in a framework where individuals and private sector organizations are left to fetch for themselves, including when it comes to social services.

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<sup>11</sup> Baseline report on the key concepts, dimensions and elements for the evaluation and knowledge transfer framework of the demonstrative actions, MedTOWN, June 2022



That is why partners from MoreThanAJob have reported the critical need that they have identified for awareness raising within the Palestinian public administration, mobilization and capacity building efforts, to bridge the confidence gap that existed between the project's public partners on one hand, and private/SSE partners and the beneficiaries on the other. They perceive their efforts as having been successful, as one of the outcomes of MoreThanAJob was the setup and/or development of 10 projects across 5 countries, with a social objective and an social impact.

Although not all projects fit the definition of social innovation (as adopted by MedRiSSE and elaborated in Section II of this report), nevertheless all of the sub-projects have – to some extent – collaborated with local public administrations and capitalized on their support to reach their goals. MoreThanAJob has sought to institutionalize these partnerships with the public sector through establishing MoUs that were signed between collaborating parties (the subprojects and the authorities). Such agreements were used to secure public-SSE cooperation across projects.



### Overview of MedTOWN's experience: the case of one project that has touched on a range of concepts, approaches and experiments of co-production and social innovation

MedTOWN is implemented in 4 of the 5 countries that are analysed under MedRiSSE (Spain, Palestine, Jordan, and Tunisia). The project is articulated around several approaches, actions, and demonstrative actions all focusing on best fighting poverty, inequality, social exclusion, and environmental unsustainability, through the co-production of social policies and the deployment of experimental tools that are intended to foster the transition towards more fair, resilient and sustainable societies in the Euro-Mediterranean region.

In varying contexts and starting off from various local social needs, MedTOWN encompasses several types of interventions. The project builds on all of awareness-raising, capacity building, and technical and financial assistance, and even replication, to help develop social policies and support the implementation of policy actions through innovative tools that would help deliver greater social impact with better quality and at lower costs. More specifically, MedTOWN introduces the approach of demonstrative actions based on experimentation, led in various contexts. These actions are intended to design, set up and – when possible - operate real-life experiences of co-production where vulnerable communities are supported thanks to a cooperation model where the beneficiaries, the public authorities and the SSE actors involved strive for the same goal, with and for the final beneficiaries.

#### Zooming in on co-production and social innovation from a practical viewpoint

MedTOWN is an ongoing project (expected to end in September 2023). To date, for multiple reasons mostly related to local constraints, the project showcases some disparities at the level of achievements. Whereas some demonstrative actions of co-production schemes and social innovation initiatives have actually been launched, others are still under development. The project also differentiates between co-production initiatives, and initiatives that start off with a co-production approach that further develops into a practical innovative solution for delivering a social impact.

Feedback from the field confirms the following statement: co-production does not necessarily imply social innovation whereas it is a necessary prerequisite of social innovation.

Co-production refers to the collaboration of the public sector with the private non-profit sector for the design and delivery of social services to vulnerable groups. Social innovation would go one step further, introducing an innovative practical dimension to the collaboration model and to the design and provision of the service.



Key informants underline that it is known for a fact that civil society organizations are very much engaged and flexible in targeting social issues and tackling them. They are much closer to the beneficiary communities than either of the private sector or the public authorities. So, in a world where public services are under increasing pressure to deliver more and better, the public sector would need the third sector (i.e. the social sector) to do exactly what it does best, and even to support it in doing so. This is where the opportunity for co-production – and sometimes even social innovation – lies.

The rationale underlying co-production is to have the public sector and the vulnerable groups that are targeted by social actions (the beneficiaries) to join efforts in the framework of a participatory approach – in partnership with SSE actors who understand the needs of the beneficiaries and can cater to those needs – to design the policies and the activities that would help them, the beneficiaries. The result is a better quality of social services and greater efficiency in terms of social impact, greater efficiency for limited budgets.

Indeed, SSE agents have an approach to profit that makes them fundamentally different from private service providers, so their collaboration with public authorities is expected to be more economical for public authorities and entail more satisfactory impacts on the ground.

This same argument is set forth in the framework of advocacy efforts for including SSE actors in public procurement mechanisms, yet by providing them with a conducive framework. EC recommendations in this regard include the promotion of socially responsible public procurement through training and sharing of best practices across member countries, as well as the inclusion, by mainstream enterprises, of social enterprises in their supply chains. The inclusion of social enterprises in value chains feeds positively into reputational returns to be derived from such partnerships.

### **Social innovation is perceived as a new more sophisticated solution to tackle societal problems**

In the paradigm of social innovation, the public sector becomes a facilitator and a supporter that gives a helping hand to SSE organizations that are close to the targeted communities, to supply an innovative solution that optimizes positive social impact and likely takes it one step further. Within this system, all stakeholders play a role for an overall greater impact on the beneficiary communities and spillover effects are capitalized on to fuel momentum and foster sustainability. In the case of MedTOWN, local e-currencies (also known as community currencies) and tokenization systems are being studied and developed to produce social innovation solutions intended to complete a co-production initiative.



### Political uncertainty and crisis contexts can compromise co-production initiatives

Political aspects play a part in the success of a co-production initiative. How to ensure the buy-in of public authorities especially in times of crisis and when political uncertainty is high?

In the case of MedTOWN, in Seville (Spain), power struggles between the party in government at the time of implementation of the project, and the opposition party in a period preceding elections, prevented the party in power from making bold decisions in terms of modifying social service delivery ahead of elections. The introduction of new methods and activities (earmarked as a social innovation experience) was therefore reported, probably until the political outcome of the elections is clearer. The demonstrative action focused on introducing a local digital currency for distributing financial aid while at the same time, supporting local businesses; it was intended to be a pillar of MedTOWN.

### 3.2.3. Building trust as a stepping stone for co-production

Trust has emerged from KIIIs as one of the major challenges when it comes to co-production.

A preliminary condition to a successful social innovation experience would be to establish trust between the public sector and the civil society, to try to disrupt the mainstream paradigm whereby social services are delivered primarily by the public sector or sometimes sub-contracted, with limited or no participation from either the beneficiaries or those third sector organizations that are usually close to them.

It is important to promote measures that foster collaboration between all of the SSE sector, the public sector, and the beneficiary communities (vulnerable, discriminated, or marginalized communities).

*MedTOWN introduced collaboration agreements to cement partnerships with national and local authorities*

MedTOWN has institutionalized collaboration with the local authorities the project is working with through collaboration agreements. In Jordan for instance, the project's local partner, Johud, has signed a collaboration agreement with the Ministry of Social Development for the creation of a social business incubator to co-support the creation





of collective businesses by vulnerable groups, i.e. women, refugees, people with disabilities. In the framework of a participatory process, the project was also involved in advocating at the policy making level, for a law on disability.

Other demonstrative actions led by MedTOWN have also developed collaboration agreements with the public sector: in Palestine, an agreement was signed between the Palestinian partners and the Municipality of Beitillu for the collection and separation of waste. In Tunisia, partner TCSE secured an agreement with the Municipality of Tunis in the framework of a women empowerment initiative. In, Portugal, the Junta de Campolide (locality in Lisbon) developed collaboration agreements with grass root organisations for the co-management of an urban agroforest.

*MoreThanAJob fostered the partnership between the public authorities and the subgrantees*

MoreThanAJob has secured public sector support to the social initiative of its subgrantees also by producing MoUs that were co-signed by the SEs supported by the project and the relevant authorities. Significant preliminary work was done in terms of awareness raising events and multiparty discussions in order to break the ice at the start of the project, and highlight to stakeholders the importance of cooperation as a milestone for optimized social impact.

*The CitESS created by iESS! grew into dynamic SSE hubs thanks to progressively established trust and individual commitment of members*

When the CitESS was set up, partnerships had to be set up with a range of actors, among which the local public entities that support employment; these entities have a role to play in supporting the rollout of public policies in a decentralized system (although Tunisia actually remains very centralized). However, reality was such that there was practically no cooperation between those public entities, and each was connected centrally to a different ministry, with a different policy agenda. The concept of the CitESS first intended to help these local public authorities exchange and develop a common vision. It grew to become an instrument where partners mutualize their resources for the larger good of society.

Actually, the CitESS was intended as a space of dialogue and of collaboration between the public, the private and the SSE sector with the aim of promoting the SSE and ultimately, employment. Its governance structure was therefore designed to reflect that.





### The human factor is key for co-production initiatives

At the time the CitESS were established (2017), SSE organizations were not yet recognized as such in Tunisia. The CitESS was therefore established as an association. Additionally, association members have to be natural persons – and not legal entities such as ministries or universities or private companies. To circumvent the hindrance, the CitESS members (and hence governing board) were therefore natural persons named by the institutions they worked for, yet not officially as representatives of these institutions, rather in their quality of experts. This governance solution seems to have boosted the responsibility of the members and, with time, had positive influence on the quality and the efficiency of the collaboration among them – on a personal level – and consequently, among the institutions that they were unofficially representing.

According to the chairman of the board of the CitESS of Mahdia, a very important factor of success for an SSE-supportive hub lies in the quality of the personal relations and the commitment that the key people operating the hub have. Once this personal trust is established among co-members, this sets the ground for efficient cooperation at the level of the institutions that these key people are issued from. Thanks to the personal commitment of its members the entity CitESS has signed partnerships with several public entities, cementing the common vision of supporting the SSE in order to fuel employment and growth.

#### 3.2.4. Adaptation to the local context is critical

Experiences and experiments need to be adapted to the contexts they are replicated in, as a range of elements will be factored in to lead to a successful outcome.

Practically, the introduction of a local community-based currency to distribute financial aid to vulnerable groups while also supporting local small businesses, is – per se – the only social innovation initiative that was completed and reached implementation phase under MedTOWN. It is grounded in a co-production approach, and the development of the digital tool was intended to support implementation. The e-currency was in principle meant to be implemented in Spain, and then replicated in Greece (yet for



another purpose, pertaining to improving matching between supply and demand on the job market).

The digital local currency intended to be implemented in Seville is the only full-fledged social innovation implemented by the project (although not launched), as opposed to co-production schemes (in Jordan, Palestine, Tunisia) and the initiation of social innovation models in Portugal, Greece, Palestine and Jordan (at study or development stage).

In Spain, further to a previous successful experiment by ACPP on the use of a local digital currency to spur growth among the small local businesses in San Juan, a municipality adjacent to Seville, MedTOWN has set the bases for replicating the social innovation experience in Seville. But despite a collaboration agreement with the municipality of Seville, power struggles between the party in government at the time of implementation of the project, and the opposition party in a period preceding elections, prevented the party in power from making bold decisions in terms of modifying social service delivery ahead of elections. The introduction of new methods and activities was therefore reported, probably until the political outcome of the elections is clearer.

Also, when it comes to replication, the principle is to replicate the overall scheme, although adaptation is key to tackle the needs as efficiently as possible. For instance, local currencies can be used in different systems and for various purposes, and adapted according to the local regulatory framework and to the objective. In Portugal for instance, a time bank is being developed by MedTOWN to support the ecosystem around an agroforest and the vulnerable communities living in the area. While the agroforest and its activities are the result of a public-SSE partnership, the time bank tool represents a social innovation that consists of setting up a barter system where volunteers dedicate time to the social project against earning access to local services (entertainment activities, etc.). The set of interactions and social and economic initiatives rising around the agroforest project is intended to create local economic momentum and contribute to the sustainability of the overall project.

In Palestine, the demonstrative action led by MedTOWN focuses on promoting household waste sorting. The partnership developed between the municipality of Beitillu, the project partners and the local households has been built on awareness raising campaigns on recycling and the importance of waste management, and work is being done to top up the initiative by a social innovation element based on a 'give and take' approach: the project partners are studying means to encourage waste sorting by



connecting the amount of waste sorted either to local tax exemptions or to a local e-currency that would be spent in small local businesses.

In Jordan a feasibility study will be conducted to assess the adoption of a mutual credit system within the social business incubator.

### 3.2.5. The buy-in of local authorities remains a challenge for co-production models

Feedback from project experiences reports that the public authorities are usually enthusiastic for partnering with project structures and SSE actors – especially when they are introduced through donor-funded project structures. However, issues related to accountability and to competition distortion and public procurement rules tend to hold them back in following stages. The issue of competition is indeed central when it comes to partnering with SSE actors.

On the one hand, SSE actors are normally (depending on the depth of the legal framework) non-profit-making organizations. Their financial structure and business model is, in principle, significantly different from those of private sector operators. They namely have the capacity to produce more competitive proposals for the supply of social services. Therefore public entities are generally reluctant to embark on partnerships with SSE actors when there is a financial component to the cooperation, as they are worried competition regulations would be used by private agents to sanction them.

At the same time, SSE agents do not usually have the same financial capacities or comparable access to finance as private enterprises do. This represents a major challenge and a hindrance in terms of public procurement and participating in bids and tenders.

From this perspective of advocacy, there is room to make things move in favour of co-production and public-SSE cooperation. Several KIIs have brought up the need to push for policy action in favour of co-production mechanisms. Practically, advocacy efforts would build on awareness-raising within the public and the SSE sectors, and in terms of designing policy proposals and regulations that favour SSEs or at least set them on equal grounds with the private sector when it comes to public procurement. MedTOWN project has reported preparing an assessment and comparative study on national procurement regulations in the Mediterranean countries, including policy recommendations that would promote the role of the SSE.



A last point on the reluctance of public authorities to partner with SSE agents concerns the actual framework of the cooperation. In most cases, a co-production model involving SSE actors gains better acceptance by the relevant public authorities whenever it is introduced through a donor-funded cooperation project. Klls confirm that substantiating evidence from previous co-production experiences, and the involvement of international organizations also contribute to rallying public sector cooperation.

### **3.2.6. A holistic project approach offers depth, credibility and greater sustainability potential**

MedUp! is a pioneering experience from the viewpoint of the approach, as it touches on all of the macro, meso and micro aspects of social entrepreneurship concurrently, and even added a regional dimension to the country-specific elements. As opposed to a more mainstream approach targeting SEs directly, this holistic approach is more challenging. However, the MedUp! experience has highlighted the inherent interconnections between the 3 (and even 4 if we consider cross-border cooperation) intervention levels, thus emphasizing the pertinence of replicating such an approach in future work on SENT ecosystems.

Interestingly, feedback from MedUp! shows that macro-level activities represented the biggest challenge insofar as policy issues and legal frameworks related to social entrepreneurship (i.e. basically, the ecosystem) were identified as needing to undergo transformational change.

Macro-level interventions have proven much more challenging than those at micro-level. Working at the policy level in heterogeneous contexts and with SENT frameworks that are at different stages of development, can be a defying experience. It requires time, strong knowledge of the local culture and mainly consists of building and nurturing personal relationships with key actors.

The relevance of this point with MedRiSSE pertains to the fact that the fostering of efficient sustainable partnerships between the public sector (i.e. key policy designers and power detainers) and the SSE in the framework of social causes, relies on availing macro frameworks. Consequently, projects or initiatives aiming to promote SI or co-production would need to factor in upstream initiatives targeting change for a more enabling context to nurture and boost SI and public-SSE partnerships around social



issues. Such initiatives would yield best outcomes if they involved local partners with good networks and the capacity to tap into political agendas in order to secure minimum levels of commitment to change.

### 3.2.7. Gender advocacy and women empowerment are directly related to the role women can play in co-production models at the level of policy and public service delivery

#### Why women should be central to developing co-production models: lessons (partially) learnt

There is a wealth of evidence collected over time and across the world, that clearly demonstrates that investing in women can have a profound impact not only on them, but on their families and on entire communities. Women's economic participation and their ownership and control of productive assets speeds up development, helps overcome poverty, reduces inequalities and improves children's nutrition, health and school attendance.

Women typically invest a higher portion of their earning in their families and communities than men. Women are agents of change in their families, communities and countries, and promoting their rightful role in decision-making processes is essential for advancing issues of importance to women on local, national and global agendas, with benefits for both women and men."

*Extract from "Towards Gender Equity and Social Justice: Connecting Women Producers in the Mediterranean through Fair-Trade", RUWOMED*

All five capitalized projects have a gender component that is tackled in various ways across projects and implementation countries. Project components scale from skills development and capacity building (e.g. RUWOMED) to incubating and scaling women-led social enterprises (e.g. iESS! or MedUp!).

Looking closer at the link between gender advocacy and women empowerment with co-production and SI, we can confidently say that any initiative supporting women's



social stance and their active participation in the economy – particularly in contexts where gender equity is heavily compromised - contributes in the longer run to enabling women, and consequently to supporting their participatory role in the design and delivery of new ways to deal with growing social needs.

### **3.2.8. Social enterprises: transparency and strict guidelines to prevent free riding and raise awareness**

All of the capitalized projects had a subgrant component where grants were given out according to new or existing organizations based on different criteria. In the case of MedUp! for instance, grants targeted social enterprises. Consequently, defining the social enterprise was a major challenge for the project.

In fact, none of the 6 countries where MedUp was implemented, have – to date – a legal framework clearly defining social enterprises or the realm of SSE. Whereas Tunisia’s SSE framework law was passed in 2020, it actually still remains unimplemented. This absence of a legal framework systematically leads organizations with various legal statuses (NGOs, private companies, associations, cooperatives, etc.) to self-declare themselves as social enterprises, claiming mainly their social impact to access either funding or strategic partnerships.

Indeed, project experience shows that, even when registered under the SSE-assimilated legal statuses that are locally available (associations, NGOs, cooperatives, or even private companies self-claimed social enterprises...), SSE actors are not always as credible as they should be, not always operating in the respect of SSE values and principles. Typically, many would claim being social enterprises whereas their business model translates traditional profit-making mechanisms that are more typical of a private business. In other cases, some SSE actors would be set up mainly in the aim of accessing grant finance or being beneficiary or partner of a donor-funded development project.

MedUp! for instance, had to set up a very strict business model assessment in order to select the project’s subgrant beneficiaries, that were supposed to be social enterprises. In any case, the selection experience in itself served as a learning experience for the non-compliant applicants. The project’s PMUs across partner countries tried to identify the project’s SE subgrantees through strict screening processes in order to filter out the applicants whose business model did not properly reflect the principles of a SE. The



project practically selected 10% of the applications – and a key reason behind this proportion lies in the fact that a large number of organizations presented themselves as being social enterprises whereas their business model was actually one of a traditional profit-making private enterprise. This fact can, itself, be explained by the state of the SSE-related legal framework in the countries where MedUp! Operated.

MedUp's experience emphasizes the importance of transparency and clear-set criteria in the selection process for project beneficiaries, especially as SEs are concerned in contexts where the legal framework either lacks or is weak. Such management tools are actually prevention mechanisms to mitigate potential risks deriving from power struggles or nepotism mechanisms that tend to prevail where legal frameworks have loopholes.

Moreover, it is interesting to note that such management and monitoring mechanisms are likely to have positive impact beyond project boundaries. For instance, in the case of MedUp!, there seems to have been positive spillovers in terms of SE self-recognition and self-awareness, and hence the establishment of sound premises for moving forth on the front of the elaboration of the SSE institutional and legal framework.

### **3.2.9. The SSE can support the transformation or transition from the informal to the formal economy**

SSE actors often blend formal and informal characteristics. This situation is sometimes the result of a non-enabling legal framework, but it can also be the result of weak law enforcement and weakness in the overseeing organizations.

The projects also came across SSE actors who were not operating in full formality, yet that showed the intention and the will to do so and believed in the SSE realm. Those benefited from the project structure (incubation, support, etc.) to scale up in terms of credibility and worthiness, in terms of production capacity as well as in terms of governance.

Lastly, experience shows that the SSE as a sector, has the capacity to draw informal work into the formal frame. When the local ecosystem is conducive, the SSE can reach out to informal labour and vulnerable community members who usually enrol in informal circuits to try to make a living, and either enrol them formally (legal work) or even, enable them to start social businesses themselves. Projects like MoreThanAJob and iESS! have set employment and the inclusion of marginalized or vulnerable groups





(youth, refugees, women) as their priority. They have used the fostering environment of the SSE to boost these communities' capacities and to enable them to become 'officially productive'.

### 3.2.10. Optimizing the chances for viability and sustainability

The projects have invested, each to a certain extent, in the sustainability of their innovative achievements, yet no methodology was identified or designed to perpetuate that.

No clear mechanisms were set to determine in advance – or even post-intervention, for either scaling up the model or the innovation set up, or even for diffusing the approach such that the innovation and the learning that has derived from it is transferred from one market to another or replicated. The present research has not identified any results chain that was designed ahead, during or after the lifespan of the project to perpetuate a successful methodology of bringing to life practical co-production social schemes, mobilizing stakeholders across categories, planning their reaction to change and the means to mobilize them.

#### *MedTOWN: beyond project achievement, setting the pace for future co-endeavours*

A cooperation project (e.g. MedTOWN) can set the grounds or produce various 'strata' or intensities of co-production, sometimes leading to innovative solutions (social innovation per se), and sometimes only preparing the grounds for future potentially innovative solutions.

Whatever the extent of the disruption (as compared to mainstream actions and approaches) introduced by the project and the level of achievement reached as compared to the initial objective, one of the main takeaways from MedTOWN experience is that a project's focus should be the sustainability of the action beyond the project's timeframe. Even when the achievements of the project do not fully match the objectives initially set, the approach of the stakeholders should remain focused on the aftermath of the project, achieving the objectives of the project to the best of their capacities (optimization under constraint approach) while making sure that the bases are set for a future elaborative action.

Whatever is built and achieved during the project (awareness, knowledge, networks, advocacy, relationships built with the local authorities, multi-stakeholder discussion





and coordination platforms, even unfinished practical tools to serve a social goal) is a gain for society and should not be left uncanceled. The road to efficient co-production and ultimately, social innovation, is uphill and to be climbed by plateaus.

### *Capitalizing on links and relations with the implementing organizations*

Drawing on the experience of RUWOMED, the implementing agency (ACPP) has capitalized on the readiness of the women's cooperatives (further to the capacity building and women empowerment activities of the project and to the networks that had been set up with the local partners in Palestine) to mobilize funding for a follow-up phase of the project. The new project hence built on RUWOMED's realizations and steered the activities to a more elaborate stage where a brand was actually created (although not registered, but recognized as "Consume Palestine" campaign) and associated with fair-trade principles (although not officially certified), based on professional training, thus enabling vulnerable groups of women striving in a harsh social and economic environment to penetrate the European market with albeit basic products, yet products that had potential to be developed. The two consecutive projects represent a journey for the beneficiary women. If the approach is well anchored in the society and the stakeholders (beneficiaries, civil society and public sector) adhere to the project scheme, the initiation of a co-production momentum could lead the way to sustainable progress.

### *Spinning off the CitESS into dynamic SSE hubs with a pipeline of diverse projects with multifaceted impact*

Another experience worth mentioning is the one derived from iESS! in Tunisia. 5 years after its launching, how is the CitESS model ensuring its sustainability?

In the aftermath of iESS! the CitESS partners joined efforts to find funding through companies, funds or donors with which they shared the common goals of supporting SSE, promoting youth employment, supporting women-led enterprises...

Interestingly, the social innovation that is the CitESS structure, became, itself, an instrument to channel private funds to the SSE, thus further boosting the innovative dimension of the initial co-production model. Basically, the CitESS business model is progressively shifting to a hub with multiple income streams and service delivery models. In 2021, CitESS Mahdia for instance, answered a call for proposal by Fondation



Orange, and designed a project for supplying technological training and capacity building support for school dropouts. The project earned funding from Fondation Orange. This transformed the CitESS into a funding funnel for the local SSE ecosystem. The hub became a recipient of funds targeting the development of an SSE initiative (a prototyping lab for young dropouts) that would be implemented by the CitESS partners, including the public partners. The model is one where funding originates in the private sector, and is injected into an SSE initiative designed and implemented by a social innovation initiative.

The CitESS partners are also considering setting up an incubator of SEs with social or environmental impact, within the CitESS, hence creating new income streams.

### 3.2.11. The ‘depth’ of policy and legal frameworks matters

The aim of this section is not to do a deep qualitative assessment of the national legal frameworks for SSE activities and agents. It is rather to give an overview of the context that the 5 capitalized projects have either operated in, or have been working on influencing, or have contributed to defining.

Legal aspects being directly correlated to the existence, breadth and depth of public-private cooperation mechanisms, it seemed important for the purpose of this study to assess the relevance and the sort of ‘potential’ of the local legal frameworks to support or incubate both co-production and social innovation practices.

As far as legal frameworks and MedRiSSE participating countries are concerned, only Spain (2011) and recently Tunisia (2020, no implementation decree issued to date) have adopted framework laws for the SSE. Others, like Italy, have a broad range of laws pertaining to the SSE, to its principles, actors, and activities, yet no framework law. In the Mediterranean Middle East (where projects MedTOWN is still ongoing, where RUWOMED’s achievements are still being sustained by the project’s lead partner ACPP together with other partners, and where MedUP! has just completed its activities in August 2022) neither Palestine nor Jordan has relevant laws, although KIIs have revealed that Palestine might have a basic law covering cooperative work while the Jordanian authorities are believed to have elaborated a draft law on social entrepreneurship.



### Zoom on the Tunisian SSE framework law\*

\* Among the countries covered under MedRiSSE, Tunisia is the only non-EU country that has introduced legislation on the SSE.

- Framework law voted on June 30, 2020.
- However, as of the date of this report (Q3-2022) the law remains without application decrees whereas the framework law stipulates that such decrees should be issued within 2 years of the passing of the law.
- Defines the Social and Solidarity Economy:  
“The social and solidarity economy is an economic model composed of a set of economic activities with a social purpose and relating to the production, transformation, distribution, exchange, marketing and consumption of goods and services provided by enterprises of the social and solidarity economy, to meet the collective needs of its members and the general economic and social interest, and whose main purpose is not to share the profits of those activities”.

*Ch.1., Art. 2 of Law no. 2020-30 June 2020 on the Social and Solidarity Economy in Tunisia.*

- Explicitly takes into consideration certain solidarity values: respecting the human, having a purpose compatible with the principle of sustainable growth, voluntary support to other SSE enterprises, indivisible ownership, no political affiliation.
- Specifies the type of economic activities and of legal status of organizations that can fit within the framework of the SSE law: cooperatives, membership organizations ('mutual associations'), microfinance associations, groups of economic interest, associations with a social purpose, etc. but a social enterprise cannot have the legal status of a limited liability company.
- Specifies financial restrictions and profit-making conditions for being classified as SSE agent: e.g. reinvesting surpluses in the social business, ceiling for salaries.
- Specifies governance conditions:
  - o At the level of the enterprise: democratic governance, one member one vote
  - o At the level of public authorities: creation of an independent central public authority to foster and monitor the SSE system
- SSE enterprises benefit from favourable financing conditions (e.g. guarantee funds) and get tax incentives.
- The law created a special label “social and solidarity enterprise” that the organization has to apply for and obtain.
- The law introduces social value into government procurement, which is perceived as a significant plus as compared to other SSE legislations (namely in Europe) as it gives access to SSE actors to opportunities for delivering public services.



### 3.2.12. Loose legal frameworks hinder the efficiency of co-production initiatives

If non-existing legal frameworks can directly hinder the development of the SSE and in particular, of co-production and social innovation, loose or weak legal frameworks can lead to challenging situations as well.

Many legislative texts lack clearcut definitions of social enterprises and of other SSE agents, thus leaving room for interpretation. Where definitions are loose and legal recognition of SSE actors weak, it is actually common to witness the emergence, particularly, of pseudo social enterprises self-defined as such, and that actually operate like hybrid enterprises, privately owned profit-making enterprises with a social makeover. Such situations also occasionally lead to power struggles (intra-enterprise, but sometimes also with donors, partners, and public authorities).

Practically, two main operational principles seem to be recurrently challenged when it comes to 'self-defined' tailor-made social enterprises: governance and profitability. The challenges of democratic governance and the funding and sustainability challenges related to profitability limitations, often lead, in practice, to business models that do not match the universal understanding of the social enterprise.

The MedUp! project has largely come across this issue.

### 3.2.13. How can project structures make things move?

Demonstrative actions led under MedTOWN highlight a range of means that can be used by a project structure and/or by policy advocates to influence public policy – in this case, policy relevant to the strengthening of the SSE and co-production potential. These advocacy actions or 'soft' policies have been defined (*see footnote <sup>14</sup> above*) according to their result or impact:

- granting legal recognition for the object of the co-production or the social innovation resulting from the public-SSE cooperation, e.g. a local e-currency serving a social purpose
- removing regulatory obstacles to co-production
- leading to new policies that recognize the participative approach and the role of the SSE organizations underlying social dialogue and co-production initiatives, through the practical involvement of these organizations in social dialogue councils, advisory bodies or similar institutions



- institutionalizing co-production in policy design and implementation, through the establishment of bodies at the heart of the public administration whose aim is to oversee the policy object
- influencing the cultural environment, the ideas and the awareness around a social topic in order to influence visibility and social acceptance.

Such 'soft' policies can be seconded by 'hard' policies where a social object is actually addressed by 'luring' the public sector into doing so thanks to access to financial resources.

## 4. Conclusion

The comparative analysis led on project experiences allowed for the identification of the main determinants behind their successes (good practices) and, retrospectively, pinpointed the factors which could have led the projects to bear greater impact.

Findings derived from the project experiences are presented in this conclusive section, and encompass:

- on the one hand, the challenges they faced and the risks they encountered in the framework of promoting and implementing co-production and social innovation models
- and on the other, the practices that were identified as good practices, and the lessons learnt from the various facets of the experiences.

These findings are key takeaways from the capitalized projects, and serve as first-hand input for future project design and advocacy initiatives aiming to develop frameworks conducive to more efficient cooperation between actors from the Social and Solidarity Economy and the public authorities, with particular focus on Mediterranean countries.

Lastly, the study identified opportunities and formulated high-level recommendations to move forward on the path of co-production and social innovation.



#### 4.1. Identified risks and challenges

- In increasingly polarized political environments, local administrations are continuously challenged. Priority social issues and emergency situations sometimes fall short of public support as civil society's mobilization is not mirrored by public sector commitment. Such situations are disconnected from budget considerations; they are merely related to political power struggles. Despite securing legitimacy (legitimate cause, legitimate actions), SSE agents sometimes have to face the concern of being targeted for their social endeavours that are increasingly instrumentalized for political agendas. Such a context is not only detrimental to the development of social initiatives, but it is particularly so when it comes to introducing innovative models for delivering social services, and all the more so as such services are produced in partnership with, or with the avail of the public sector.
- An associated setback pertains to the reputational risk faced by SSE agents that work on developing and implementing social services and extending social aid to marginalized or vulnerable communities. In a non-conducive political context, SSE agents face the risk not only of being earmarked as opponents, but also of finding themselves facing a wall when it comes to actually achieving their objective to assist society. The pressure can even lead to SSE agents' withdrawal, leaving the social need untreated.
- Free riding risks: the looser the legal framework circumscribing the SSE, its agents and its activities, the greater the risk of seeing profit-making enterprises built on a private sector profit making approach, take advantage of programs that support the SSE and co-production initiatives to try and position themselves as SEs in order to secure profit-generating deals.
- Powerful private sector lobbies can hinder the introduction of SSE-supportive clauses (for instance in public procurement legislation) that could modify the competition framework in favour of SSE agents.
- The absence of legal frameworks related to SSE (agents, principles, operations, public support mechanisms) is a major hindrance when it comes to setting up public-SSE partnerships.



- Whereas non-existing legal frameworks can directly hinder the development of the SSE and in particular, of co-production and social innovation, loose or weak legal frameworks can also compromise the efficiency of co-production initiatives.
- Decentralization and the ensuing power struggle: the extent of local power vs. central power can stand in the way of co-production and social innovation mechanisms.
- Although public authorities usually showcase enthusiasm for implementing co-production initiatives, they are usually reluctant to move on with the practical implementation. One of the reasons behind such reluctance is related to accountability as co-production models might be interpreted as a potential distortion of competition in favour of SSE agents.
- Macro-level interventions have proven more challenging than those at micro-level. Working at the policy level requires time, strong knowledge of the local culture and mainly consists of building and nurturing personal relationships with key actors.
- The sustainability of a project's achievements especially in terms of co-production, is a major challenge. Whatever is built and achieved during the project (awareness, knowledge, networks, advocacy, relationships built with the local authorities, multi-stakeholder discussion and coordination platforms, even unfinished practical tools to serve a social goal) is a gain for society and should not be left uncaptured.

#### 4.2. Lessons learnt and key success factors

- Recognizing social entrepreneurship and social entrepreneurs as credible agents and partners for delivering social services is a stepping stone for co-production. For that, public recognition is critical. Public sector interlocutors are hence considered allies when it comes to instigating change at the level of policy or public processes. Proper onboarding of the public authorities is therefore key.
- Overall, a supportive public sector is key to successful collaboration between the SSE and the public sector; extensive awareness raising and capacity building across stakeholder categories enable to overcome reticence to cooperate and contribute to a common social endeavour. Securing this support is critical.





- Co-production models or initiatives introduced through international cooperation frameworks and donor-funded projects gain better acceptance by the local public authorities, and generate more efficient cooperation on their part.
- Where the legal framework does not allow for a clearcut identification of social entrepreneurship, or of SSE agents and their operations, projects supporting the SSE should set their own selection tools and frameworks in order to avoid free riding and reach their goals based on a sound approach. For such mechanisms to gain good acceptance, lead to efficient action, and trigger a sound understanding of the SSE and its differentiation with the private sector, they have to go together with awareness-raising and advocacy campaigns aiming to promote internationally-recognized principles and standards for the SSE, and set the grounds for sound future regulatory frameworks that would themselves, pave the way for efficient co-production initiatives.
- Regarding replicability, experiences and experiments need to be adapted to the contexts they are replicated in, as a range of elements will be factored in to lead to a successful outcome. In particular, the actors involved in the partnership have to be apt for the challenge. In the framework of co-production (let alone replicability of co-production models), SSE agents act as a means to bridge between collective needs and the local public sector, an instrument that would allow the community to be actually involved, together with the public authorities, in defining public policy. This stance imposes collective recognition by the community as a prerequisite for successful co-production. In other words, SSE operators who seek to play an active part in developing a co-production model or conducting a co-production experience should already be part of the local community. It should be recognized as a local credible consolidating partner by the stakeholders involved in the process. Consequently, co-production experiences and impactful social innovation cannot just be parachuted in a locality. They can only yield results if they are operated by *local* actors and partners with long-lasting relations and recognized by their communities.
- In order to optimize the sustainability of a project's achievement, several good practices have been identified by the capitalized projects. One of them is for the project to capitalize on the relations with the implementing organizations in the aim of perpetrating the achievement through a consolidation phase that could





take the shape, for instance, of a phase 2 to the project. This phase would anchor the project's realizations and optimize ownership by the stakeholders.

- Project experience has also shown that the human factor is key for the sustainability of an endeavour. Projects that involve multiple stakeholders and that have set up partnerships between those stakeholders, can ambition to achieve new impactful projects by leveraging the good personal relations developed among project stakeholders. Good relations between stakeholders can cement a partnership and pave the way for new opportunities of future collaboration.

In a similar approach of sustainability, and based on the same philosophy, project initiators should consider setting up local 'project communities' associating actors from all of the public, private, SSE and academia sectors. These communities would take over the project's long-term goals and pursue the initiated transformation.

- Where societal issues are concerned and touch on policy and on public sector practical involvement, projects initiating work in these areas are best off when they mobilize all stakeholders as early on in the project's lifespan. Ideally, the stakeholders should be involved in the governance structure of the project, in the framework of a participatory approach involving decision makers, service providers and beneficiaries alike. This is particularly relevant when the topic at stake is co-production of social policy or the provision of public social services by SSE agents.

### 4.3. Opportunities and ways forward

- There is much room, around the Mediterranean, for advocacy efforts targeting the design of policies fostering the SSE. Opportunities extend from defining the SSE, its principles, its agents, and its operations, to introducing supportive clauses in the framework of existing regulations, enabling SSE agents – who usually face much more challenging operating conditions as compared to the private sector companies - to increase their contribution to the real economy while growing their social impact and making up efficiently for over-solicited and/or sub-efficient public services. Examples of such inclusion of SSE agents in the traditional private sector sphere, include the adaptation of public



procurement mechanisms to promote socially responsible procurement and thus support SSE participation.

- Beyond replication, efficient local SSE hubs or clusters carry the potential of creating a regional momentum around SSE development, consolidating the third sector, spurring growth, but also improving social awareness around social challenges. Initiatives to create and connect SSE hubs (whether one-stop service providers for SEs, SE incubators, impact finance funds, etc.) could create positive momentum led by a cross-country regional network with positive spillovers along various lines (legal frameworks, co-production models, financing circuits, R&D structures, etc.).
- ESG (Environmental Social and Governance) initiatives have become a strategic imperative in the in organizations worldwide, and particularly in the corporate sphere. The ESG trend offers great potential of cooperation between various stakeholders, namely between the private sector and the SSE. This broadens both their social impact potentials as well as the perspectives of co-production and social innovation along with the public sector.
- The economic empowerment of vulnerable communities is a strategic means to achieve greater inclusion and greater involvement of these communities in dealing with social needs – not only because income improves access to existing social services, but also because economic empowerment allows for social recognition as an active stakeholder who can play a determining part in co-designing public policy that directly impacts them. On the other hand, the political struggles that are witnessed at global level, with stronger radicalism, translate into weaker solidarity and a growing reluctance of public authorities to onboard SSE agents and/or their beneficiaries, for co-designing or co-producing any public policy or social action that might relieve them of some power and thus compromise public or private interests. These arguments only highlight that there is much room left for awareness raising and advocacy in order to clear the road for less resisted and more efficient and systematic partnerships between the public sector and the SSE sphere.
- Fostering efficient sustainable partnerships between the public sector and the SSE in the framework of social causes, relies on availing macro frameworks. Initiatives aiming to promote SI or co-production would need to factor in upstream initiatives targeting change for a more enabling context to nurture and



boost SI and public-SSE partnerships around social issues. Such initiatives would yield best outcomes if they involved local partners with good networks and the capacity to tap into political agendas in order to secure minimum levels of commitment to change.

- Demonstrative and experimental actions in the realm of co-production and social innovation could benefit from conducive ‘testing’ frameworks inspired from regulatory sandboxes introduced for the financial sector.

A regulatory sandbox is a framework set up by a financial sector regulator to allow small-scale, live testing of innovations by private firms in a controlled environment under the regulator's supervision.

Since social innovation can do a lot to benefit the community as a whole, yet entails certain risks, introducing regulatory sandboxes for innovative models of public-SSE partnerships could lift many barriers to such cooperation. Small-scale disruptive social experiments could be made on safer grounds. Once the innovation clearly demonstrates efficiency and impact, it might become better accepted and its dissemination or replication much smoother.

- Empowering women both socially and economically has a profound impact on them, on their families and on their communities. We can confidently say that any initiative supporting women's social stance and their active participation in the economy contributes in the longer run to enabling women, and consequently to supporting their participatory role in the design and delivery of new ways to deal with growing social needs.
- Looking forward, initiatives to support women (political participation at the local level, women-led enterprises, capacity building and skills development, introducing gender balance in legal frameworks, etc.) can all be enablers for having women play a direct role in co-production and social innovation initiatives, whether at the level of public policy design or at the level of provision of social services.
- The SSE, when formal (recognized by a legal framework), has the potential to draw informal social initiatives and informal labour and gives them the opportunity to enter the formal sphere and develop. Cooperation project structures and comparable initiatives aiming to support the SSE can leverage this



argument in the framework of their advocacy actions, as well as to rally the public authorities to the effort for supporting the SSE, its agents and its initiatives. The formal recognition of SSE initiatives not only has the potential to bring economic agents into the formal sphere, but also fosters innovative social initiatives and increases the potential of the agents to access formal financial resources and develop partnerships with other formal actors from the SSE, the private or the public sphere.

- Project structures can be designed in such a way so as to anchor their achievements and pave the way for future co-production and further social innovation beyond the project's lifespan.
- Social advocacy actions can also serve the purpose of promoting co-production and social innovation. They can include:
  - granting legal recognition for the object of the co-production or the social innovation resulting from the public-SSE cooperation
  - removing regulatory obstacles to co-production
  - leading to new policies that recognize the participative approach and the role of the SSE organizations underlying social dialogue and co-production initiatives, through the practical involvement of these organizations in social dialogue councils, advisory bodies or similar institutions
  - institutionalizing co-production in policy design and implementation, through the establishment of bodies at the heart of the public administration whose aim is to oversee the policy object
  - influencing the cultural environment, the ideas and the awareness around a social topic in order to influence visibility and social acceptance.

All of these overarching elements can spark new ideas for designing cooperation initiatives and feed into future initiatives aiming to support the development and strengthening of the SSE sphere around the Mediterranean, encompassing both actors and institutional frameworks -- in ecosystems where EU cultural influence through cooperation has high chances of producing positive impact.





## Annex 1: The SSE's contributions to decent work and sustainable development (ILO)

### Employment and income generation

**SSE actors generate direct and indirect employment.** By doing so, they contribute to achieving SDG 2 (zero hunger), SDG 8 (decent work and economic growth) and SDG 9 (support to industry, entrepreneurship, innovation and infrastructure).

**SSE units operate across various stages of supply chains.** Cooperative-based entrepreneurial models – whether at consumer level or upstream in the supply chain – can support the development of effective fair-trade models.

**SSE units may use different strategies for scaling up to overcome productivity challenges.** *Horizontal growth* typically involves setting up networks, franchises or subsidiaries. It can draw on support from local governments, research institutions, cooperative banks and SSE training organizations. *Vertical growth* involves setting up secondary and tertiary structures to provide services, from education and financing to policy advocacy. *Transversal growth* entails infusing SSE values and principles into the local economy.

**SSE units are particularly effective in promoting job and income opportunities and in reducing inequalities in rural areas.** SSE units such as cooperatives and producer associations can contribute towards a productive transformation of rural economies and promote decent work across rural sectors, including in the agri-food sector that remains the backbone of many rural economies.

**SSE-related social finance institutions worldwide contribute indirectly to job creation by providing the capital required to establish an enterprise or acquire essential means of production.** These include rotating savings and credit associations, such as credit unions, village banks and cooperative banks. With the progress of digitalization, some SSE units in the financial sector have even embraced digital technologies to reach and serve their members more effectively.

**SSE units provide a wide range of services to their members and communities that improve incomes and livelihoods.** Street vendors' associations, fair trade organizations and agricultural marketing and supply cooperatives are key actors in facilitating access to markets in many countries.



**SSE units can play a pivotal role in enhancing the productivity and competitiveness of enterprises by generating economies of scale through providing collective services.** This applies to shared-service cooperatives, also known as entrepreneurs' cooperatives that allow small enterprises to achieve productivity gains through the joint organization of essential services such as input supply, transport, processing and marketing, and to reduce fixed costs and increase turnover.

**The SSE can also create jobs through worker-owned enterprises.** Any type of business can be worker owned, from services and retail to education and manufacturing. Worker cooperatives are worker-owned enterprises that are run and managed by and for the workers who own the capital, vote as equal members on matters related to running the business and have the right to stand in for election to the board of directors.

### Social protection and the provision of social services

**The SSE can support building and operating social protection systems.** Universal social protection, understood as access to comprehensive, adequate and sustainable protection over the life cycle, is not yet a reality. It is a primary responsibility of a State to build and maintain an appropriate national social protection system. SSE units can support these efforts by **partnering with social protection institutions.** They can contribute to the achievement of Goal 1 (no poverty), Goal 3 (good health and well-being) and Goal 10 (reduced inequalities) of the 2030 Agenda through the provision of social protection, including health insurance and care services.

SSE units have a role to play in national social protection systems by **facilitating access to social protection for their members or for some population groups thanks to their proximity with the communities they serve.** SSE units, in particular cooperatives, can facilitate access to social protection, for example through awareness raising, collective registration campaigns or collective agreements. Cooperatives can be responsible for collecting and transferring the contributions of their members, thereby simplifying procedures, reducing costs and facilitating access to social security. Cooperatives can also play a key role in facilitating access to and enrolment in public social security schemes for self-employed workers in other sectors, such as artists or taxi drivers. In addition to facilitating social security coverage, organizing into cooperatives can also improve legal recognition, enhance economic efficiency and security and provide a basis for accessing finance. In some contexts, social security institutions can delegate





selected front office functions to community-based organizations, especially mutuals and cooperatives, to improve proximity with some population groups.

SSE units also play an essential role in providing health, social and housing services that are part of the national social protection system in some countries.

SSE units have a potentially growing contribution as service providers. SSE units address care needs for diverse excluded or vulnerable populations. They often have a holistic approach and thanks to the involvement of multiple stakeholders in their networks (care providers, beneficiaries, governments), they are often multipurpose and can cater to diverse needs. In some instances, social cooperatives that provide care services are co-owned by the care providers and the beneficiaries of the services.

### Rights at work

The fundamental principles and rights at work and most international labour standards apply to all workers. SSE units can significantly contribute to the achievement of SDG 8 (decent work and economic growth) and SDG 16 (peace, justice and strong institutions), notably by promoting, advancing and applying international labour standards.

SSE units promote compliance with the fundamental principles and rights at work among their members, engage with their communities and undertake joint initiatives with other community actors to advance the fundamental principles and rights at work. SSE units can help tackle workers' rights deficits relating to freedom of association and collective bargaining, forced labour, child labour and discrimination in their operations (policies), in members' and users' operations and across supply chains. Working with the social partners, SSE units can support informal economy workers in improving their working conditions and increasing their income. They can also provide psycho-social support to and skills training for greater inclusion (e.g. for migrant populations).

### Gender equality

Although circumstances may vary according to context, within the SSE there is a growing interest in gender issues, greater recognition of the value of women in



leadership roles, and an increase in the number of SSE units owned by women. In mobilizing the SSE to further gender equality, including progress towards Goal 5 (gender equality) of the 2030 Agenda, two areas of focus emerge: the strengthened participation of women in SSE units, including in leadership positions, and the development of SSE units in undervalued economic sectors or professions with a stronger participation of women (for example, in the care economy).

**Besides, the SSE offers observable benefits in respect of accessing affordable services for women**, for instance in housing and finance and a range of care services. Women can advance their situation by negotiating with public authorities through SSE units. The democratic and participatory governance of SSE units also allows women the opportunity to engage in decision-making and power-sharing. This makes them better positioned to address personal and communal needs such as freedom from discrimination, violence and harassment.

**SSE units established by and for women help overcome social and cultural constraints, which might otherwise limit women's participation in the workforce.**

### Social dialogue

**In some countries, vertical structures of the SSE take part in social dialogue and are formally represented.** SSE units, particularly the larger ones and their federations, may participate in social dialogue as employers or as community organizations alongside government, employers' and workers' organizations. Such dialogue could even be cross-border.

### Transition to the formal economy

**The SSE can be a vehicle for informal workers and organizations to engage in the transition to the formal economy.** These informal agents can either get organized within the SSE or get support from SSE structures to gain legal recognition and access to basic social services. SSE units can help achieve Goal 8 (decent work and economic growth) and Goal 10 (reduced inequalities) of the 2030 Agenda by contributing to the formalization and growth of micro, small and medium-sized enterprises and promoting the social, economic and political inclusion of all.



SSE units help to scale up the activities of informal economy units through collective forms of entrepreneurship, enhancing their bargaining position and facilitating the access of workers to social protection. Through the SSE, informal economy enterprises can improve their economic viability and resilience, increase their productivity, realize cost savings through shared services and boost their incomes through an increased level of production and the diversification of product lines.

By forming or joining SSE units, informal economy operators can secure access to finance, information, inputs, technology, support services and markets. SSE units can facilitate access to social security for their members by helping with registration, providing information about their members' rights and entitlements and raising awareness. When SSE units are officially registered, they belong to the formal economy, while their workers may still operate in the informal economy.

### Crisis prevention and recovery, and promotion of peace and resilience

Historically, the SSE has played an important role in the prevention of and recovery from crises caused by conflict and disaster. The world is currently facing multiple intersecting crises, including those caused by climate change and global warming, natural disasters, economic and financial downturns, extreme poverty, forced displacement and the COVID-19 pandemic. Whereas the SSE, in all its diverse organizational forms, is exposed to crises, it also acts to prevent them and mitigate their impact.

- While struggling with the adverse effects of the COVID-19 crisis, SSE units have also been agents in addressing them.
- The active participation of vulnerable and marginalized people (including refugees) in SSE units contributes to redressing entrenched poverty and inequalities.
- SSE units exhibit robust resilience in the face of economic downturns and often have the ability to support their members and the wider community.
- The SSE has also demonstrated its relevance and capacity and agency in the aftermath of natural disasters, as a means for communities to cope with the destruction and contribute to recovery and reconstruction.

The role that the SSE plays in immediate crisis relief is being acknowledged by governments at the local and national levels, especially in the provision of social



services. Despite their relevance to building crisis resilience, SSE units have yet to be systematically integrated into medium to long-term government strategies for crisis resilience.

- SSE units cooperate with governments and development partners seeking to address the needs of refugees and host communities. The SSE is well positioned to address the needs of both displaced persons and host populations. SSE units provide social services, employment, income generation, finance and knowledge exchange. They also contribute to social capacity and peacebuilding functions, such as networking, solidarity and trust-building, problem-solving, collective action, women's empowerment, reconciliation and cultural sensitization.
- The SSE can play a valuable role in post-conflict situations, by taking part in conflict-sensitive and peace responsive recovery and reconstruction efforts.

### A just digital transition

**SSE units are contributing to making digital transitions fairer.** By connecting businesses and customers to employees, digital work platforms are transforming business processes and have significant implications for the future of work.

**SSE units offer a range of alternatives for workers, producers and users of digital services.** They can contribute to circumventing middlemen in supply chains, connect end users to small suppliers, supply crowdfunding platforms for a cause, create fair transparent marketplaces, etc.

### A just transition to environmental sustainability

**SSE units are contributing to a just transition to environmental sustainability.** SSE units can provide access to renewable energy and resource efficiency in their own operations, make cities and human settlements inclusive, resilient and sustainable, advance sustainable consumption and production, and work on climate action and towards the protection of life below water and on land. **SSE units in sectors ranging from agriculture and housing to energy are greening their operations and lowering their environmental footprint.** Mutual insurance for crops, improved irrigation and watershed management techniques, the use of renewable and naturally occurring



materials for insulation and diversification to drought-resistant crops are some of the strategies that SSE units can use.

**In recent years, SSE units have started getting involved in managing electrical and electronic waste (e-waste).** They have been promoting the rights of informal workers usually involved in waste collection and sorting, advocating their inclusion and recognition, and creating formal and decent work opportunities. They play an impactful role in awareness raising on environmental issues and have contributed to creating new value chains in many countries, creating decent employment opportunities and income generating channels for many.

**Many SSE units contribute to food networks associated with fair trade, solidarity purchasing and collective provisioning.** They enhance food security and foster sustainable and more equitable agri-food systems that promote decent work and practices which are greener and fairer across supply chains.



## Annex 2: Project factsheets and key information

### MedUP! (Promoting social entrepreneurship in the Mediterranean region)

Project duration: 2018-2022

Budget: €5.46 million

Countries of implementation: Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia

#### Implementing Partners

- Oxfam Italia, Lead Applicant;
- Oxfam Novib, Oxfam Intermon and Oxfam GB affiliated entities
- *European co-applicants:*
- Diesis, Euclid Network and Impact Hub International;
- *Southern Mediterranean co-applicants:*
- Tunisian Center for Social Entrepreneurship (TCSE) in Tunisia ; ENACTUS in Morocco; JOHUD in Jordan; PARC in OPTI; SEKEM in Egypt;
- *Associated Entities:*
- Tuscany Region, Sardinia Region, AIDDA, Banca Etica.

#### Objectives

The project's overall objective is to promote an enabling environment in the Southern Mediterranean partner countries for the development of the social entrepreneurship sector as a driver for inclusive growth and job creation.

Its specific objective is to increase economic inclusion and employment in Morocco, Tunisia, Egypt, Lebanon, Jordan and Palestine where adequate policies on social entrepreneurship are in place, public-private dialogue and exchanges of practices are promoted and high quality services for social enterprises are provided.

#### Brief description

The project has the objective to increase economic inclusion and employment in targeted countries by: (i) promoting country and cross-country policy and advocacy



initiatives and public-private dialogue to create an enabling regulatory and policy environments (macro level);

(ii) reinforcing 60 social entrepreneurship support organizations through capacity-building and networking activities (*meso level*);

(iii) providing financial and technical support to 100 social enterprises (*micro level*).

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### MedTOWN (Co-producing social policies with SSE actors to fight poverty, inequality and social exclusion)

Thematic objective: Promotion of social inclusion and the fight against poverty

Countries: Spain, Greece, Palestine, Jordan, Tunisia, Portugal

Estimated duration: September 2019 - September 2023

#### Partners

| Role             | Name of the organisation   | Country   |
|------------------|--|-----------|
| Lead beneficiary | Assembly of Cooperation for Peace  | Spain     |
| Partner 1        | Tier 1 Technology SL   | Spain     |
| Partner 2        | SCIENTIFIC SOCIETY FOR SOCIAL COHESION AND DEVELOPMENT                                   | Greece    |
| Partner 3        | Agricultural Development Association   | Palestine |
| Partner 4        | The Jordanian Hashemite Fund for Human Development                                       | Jordan    |
| Partner 6        | Equality Portfolio - Department of Social Services                                       | Portugal  |
| Partner 7        | Palestinian Hydrology Group for Water and Environmental Resources Development            | Palestine |
| Partner 8        | General Directorate of Cooperation. Regional Ministry of Social Services and Cooperation | Spain     |
| Partner 9        | Tunisian Center For Social Entrepreneurship  | Tunisia   |





## Associates

| Role        | Name of the organisation                                       | Country   |
|-------------|--|-----------|
| Associate 1 | Ayuntamiento de Sevilla  | Spain     |
| Associate 2 | Agencia Andaluza de Cooperación Internacional - AACID -        | Spain     |
| Associate 3 | The Ministry of Labour, Social Insurance and Social Solidarity | Greece    |
| Associate 4 | Ministry of Labour (MOL)                                       | Palestine |
| Associate 5 | Ministère de la Femme, de la Famille et de l'Enfance (MFFE)    | Tunisia   |
| Associate 6 | Environmental Quality Authority (EQA)                          | Palestine |
| Associate 7 | Birzeit University   | Palestine |
| Associate 8 | Ministère des Affaires Sociales (MAS)                          | Tunisia   |

## Highlights

Public services face an unprecedented set of challenges: increasing demand, rising expectations, seemingly intractable social problems and, in many cases, reduced budgets. In Europe, previous approaches have produced important improvements in some areas but failed to tackle the structural inequalities that are fuelling the demand for services. In the Arab world, heterogeneous and fractured social structures, along with occupational shifts from agricultural to industrial and service activities, are overstressing already weak social services schemes that fail to address the real drivers of poverty, inequality, and exclusion.

## Project rationale

MedTOWN is a project that aims to promote and demonstrate initiatives of co-production of social policies through experimentation on a co-production model whereby a digital currency is used for the provision of social services and financial aid to the most vulnerable groups, thus increasing the economic and social impact of public policies and public expenditure at local level.

The project builds on the combined potential of agents of the SSE, citizens and local authorities to design and produce – together – policies that efficiently fight poverty and inequality, and promote social inclusion and sustainable growth. Practically, the project seeks to demonstrate that cooperation between the public, the private and the SSE sector, can serve a range of sustainable development goals as this partnership translates into co-designed social policies and tools that are co-produced by the public and SSE stakeholders to implement those policies and effectively provide social services.



*What will be improved?*

MedTOWN will provide with tailored capacity building for SSE agents, innovative and low-cost tools for practitioners and networking opportunities. This will be implemented through an open policy dialogue aimed at strengthening the Mediterranean region's role in the development and implementation of policy actions towards the development of quality, more user-friendly, and empowering social services. A social experimentation based on the use of complementary currencies for the delivery of financial aid to vulnerable communities will be carried out.

*Who will benefit?*

- Communities with a high proportion of impoverished households, women victims of gender violence, refugees or people with disabilities
- 120 social workers and frontline staff in public organizations
- Responsible national/regional bodies in the regulation of social services and SSE



### **RUWOMED (Supporting and connecting rural women's traditional know how in the Mediterranean through the promotion of fair trade products)**

**Priority:**

- Promotion of socio-economic development and enhancement of territories
- Strengthening economic clusters creating synergies among potentials of the Mediterranean Sea Basin countries

**Project duration:** 36 months (implementation period: 2012-2016 according to a publication by ACPP)

**Budget:** € 1,994,617

**Countries of implementation:** Palestine, Lebanon

**Project in brief**

Women's participation in employment is low in Lebanon and in the Palestinian territories, with women holding less than a quarter of total jobs. The conflict situations



have further deteriorated the opportunities of women for engaging in sustainable economic ventures, especially in rural areas. Under the circumstances outlined above, cooperative and micro-entrepreneurial activities in traditional sectors (agro-food, artisanal handicraft) can contribute to poverty alleviation and to women's economic and social empowerment. RUWOMED aims to improve income generating opportunities by setting up and strengthening existing SMEs and women cooperatives to become efficient, viable and sustainable economic entities and ensure a decent source of income for their households.

### Implementing partners

Lead: Assembly of Cooperation for Peace ACPP (Spain, Comunidad Valenciana)

### Partners

1. Palestinian Agricultural Relief Committees PARC (Palestinian territories)
2. Collective for Research and Training on Development - Action (Lebanon)

### Specific objective

To develop and strengthen viable economic activities among Palestinian and Lebanese women through a capacity building program, input support and the promotion of products locally and internationally

### Expected results

- 185 new and existing economic activities run by women strengthened through trainings and input support in topics related to use of ICT, management, accounting, marketing, packaging and design
- Quality of 75 tons of products manufactured by women entrepreneurs improved in line with European standards
- Public exposure for women's products increased to boost their access to local and international markets

### Target groups

- Marginalized Palestinian and Lebanese women
- Rural women cooperatives



## IESS ! (Initiatives d'Emploi en Economie Sociale et Solidaire en Tunisie)

(English translation: Initiatives for Employment in the Social and Solidarity Economy in Tunisia)

**Project duration :** 2014-2017, extended to 2018

**Country of implementation :** Tunisia

### Objectives

General : support employment through the development of the SSE, which is a source of social cohesion.

Specific objective : create sustainable jobs for the youth and the women through the creation and the strengthening of viable SSE enterprises in 4 Tunisian governorates.

### Partners

Lead : Cospe (Italy)

Co-lead :

- iesMed (Spain),
- TCSE (Tunisian Center for Social Entrepreneurship – Tunisia),
- Development bureaus in the relevant governorates (ODNO, ODCO, CGDR),
- CRESS PACA (Chambre Régionale de l'Economie Sociale et Solidaire PACA – France)

Associates :

- ANETI (Tunisia),
- ABCDE (Association Beder pour la Citoyenneté et le Développement Equitable – Tunisia),
- Coeptis (France),
- ICOSI (France),
- Coopmed (France),
- Associazione Microfinanza e Sviluppo (Italy),
- ICNS (Istituzione Centro Nord Sud – Italy),



- REMESS (Réseau Marocain de l'Economie Sociale et Solidaire – Morocco).

## Overview

The project's objective was to promote employment through the development of the SSE, perceived as a source of social cohesion. The project prioritized disadvantaged regions of Tunisia and specifically, sought to promote sustainable employment opportunities for youth and women by creating and strengthening the network of viable SSE enterprises in the Tunisian provinces of Jendouba, Kasserine, Sidi Bouzid, and Mahdia.

In order to reach this goal, iESS! has developed the model of CitESS, a multi-service territorial SSE support centre. It is the physical or virtual grouping, in the same geographical area, of a set of complementary and synergistic local services/structures to which any SSE entrepreneur (with priority given to women and young people) can turn to facilitate the creation, development and sustainability of their enterprise. Practically, 2 pilot CitESS were set up in 2017, in Sidi Bouzid and in Mahdia.

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**More ThanAJob (Reinforcing social and solidarity economy for the unemployed, uneducated and refugees)**

**Thematic objective:** Promotion of social inclusion and the fight against poverty

**Priority:** Social and solidarity economy

**Countries:** Palestine, Jordan, Lebanon, Italy, Greece

**Total budget:** 2M EUR

**Duration:** Sept 2019 - Sept 2022

## About the project

MoreThanAJob will deliver and demonstrate a framework of best practices, previously identified and studied for the inclusion of the unemployed (including refugees and uneducated populations) in the work and education system. The framework is based on the collaboration of SSE actors and public authorities for delivering in a more



effective way their services. This will be done through pilot sub-projects aiming to ensure a long-term impact and the creation of jobs.



### *What will be improved?*

MoreThanAJob will bring a change in the way SSE actors and public institutions work together for the provision of services to unemployed people, focusing on vulnerable groups (uneducated and newly arrived migrants/refugees). The development of a framework of new social pilot schemes as well as the development of policy briefs and suggestions will improve the planning of policies adapted to the needs of the target groups.

### *Who will benefit?*

- Public institutions in the field of employment and skills assessment, including ministries of labour, education, migration and related bodies
- 250 SSE entities organisations active in the field of employment
- Unemployed people focusing on newly arrived migrants and refugees

## Partners

| Role             | Name of the organisation                   | Country   | Region   | Contact   |
|------------------|--|-----------|----------|---|
| Lead beneficiary | An-Najah National University               | Palestine |          |  |
| Partner 1        | Nablus chamber of commerce and industry    | Palestine |          |  |
| Partner 2        | Ministry of Public Works & Housing         | Jordan    |          |  |
| Partner 3        | Mutah University                           | Jordan    | Al-Karak |  |
| Partner 4        | Business Consultancy and Training Services | Lebanon   |          |  |
| Partner 5        | CESIE                                      | Italy     | Sicilia  |  |
| Partner 6        | EUROTRAINING EDUCATIONAL ORGANIZATION SA   | Greece    | Attiki   |  |

## Associates

| Role        | Name of the organisation                    | Country |
|-------------|---|---------|
| Associate 1 | SOLIDARITY CONSULTANCY & COUNCELING NETWORK | Greece  |



## Annex 3: Mapping of partners involved in MedRiSSE and its 5 capitalized projects

|  | MedRiSSE | MedTOWN | IESS1 | RUNWOMED | MorethanJob | MedRiSSE | Field of expertise within MedRiSSE (based on project proposal)                                    |
|--|----------|---------|-------|----------|-------------|----------|---|
| <b>MAIN PARTNERS</b>   |          |         |       |          |             |          |   |
| Oxfam Italia   | x        |         |       |          |             | PP2      | local economic dvpt and support to SMEs   |
| Oxfam Novib, Oxfam Intermon and Oxfam GB affiliated entities                                   | x        |         |       |          |             |          |   |
| Assembly of Cooperation for Peace - ACP (Spain)  |          | x       |       | x        |             | MAIN     | financial innovation in the framework of municipal payments with SSE actors                       |
| Tier 1 Technology (Spain)  |          | x       |       |          |             |          |   |
| Scientific Society for Social Cohesion and Development (Greece)                                |          | x       |       |          |             |          |   |
| Jordanian Hachemite Fund for Human Development (JOHUD) (Jordan)                                | x        | x       |       |          |             | PP4      | database on success stories on social entrepreneurship  |
| Equality Portfolio (Portugal)  |          | x       |       |          |             |          |   |
| Palestinian Hydrology Grp for Water and Environmental Resource Development                     |          | x       |       |          |             |          |   |
| Gen. Directorate for Cooperation, Regional Ministry of Social Services and Cooperation (Spain) |          | x       |       |          |             |          |   |
| Cospe (Italy)  |          |         | x     |          |             |          |   |
| An-Najah National University (Palestine)   |          |         |       |          | x           | PP1      | reinforcing access to crossborder employment  |
| PIN srl. Servizi Didattici e Scientifici per l'Universita di Firenze (ARCO) (Italy)            |          |         |       |          |             | PP6      | knowledge aimed at supporting SSE   |
| <b>CO-APPLICANTS</b>   |          |         |       |          |             |          |   |
| Diesis   | x        |         |       |          |             |          |   |
| Euclid Network   | x        |         |       |          |             |          |   |
| Impact Hub International   | x        |         |       |          |             |          |   |
| Tunisian Center for Social Entrepreneurship (TCSE) (Tunisia)                                   | x        | x       | x     |          |             | PP5      | best practices on entrepreneurship for replication  |
| ENACTUS (Morocco)  | x        |         |       |          |             |          |   |
| Palestinian Agricultural Relief Committees PARC (Palestine)                                    | x        |         |       | x        |             | PP3      | support to rural women cooperatives and promotion of fair trade                                   |
| SEKEM (Egypt)  | x        |         |       |          |             |          |   |
| Collective for Research and Training on Development-Action (Lebanon)                           |          |         |       | x        |             | PP7      | structuring of the SSE sector, creation of new activities and job                                 |
| iesMed (Spain)   |          |         | x     |          |             |          |   |
| Offices de Développement des gouvernorats concernés (ODNO, ODCO, CGDR) (Tunisia)               |          |         | x     |          |             |          |   |
| CRESS PACA (Chambre Régionale de l'Economie Sociale et Solidaire (PACA – France)               |          |         | x     |          |             |          |   |
| Nablus Chamber of Commerce and Industry (Palestine)  |          |         |       |          | x           |          |   |
| Ministry of Public Works and Housing (Jordan)  |          |         |       |          | x           |          |   |
| Mutah University (Jordan)  |          |         |       |          | x           |          |   |
| Business Consultancy and Training Services (Lebanon)   |          |         |       |          | x           |          |   |
| CESIE (Italy)  |          |         |       |          | x           |          |   |
| Eurotraining Educational Organization (Greece)   |          |         |       |          | x           |          |   |
| <b>ASSOCIATES</b>  |          |         |       |          |             |          |   |
| Tuscany Region (Italy)   | x        |         |       |          |             |          |   |
| Sardinia Region (Italy)  | x        |         |       |          |             |          |   |
| Associazione Imprenditrici e Donne Dirigenti di Azienda (AIDDA)                                | x        |         |       |          |             |          |   |
| Banca Etica (Italy)  | x        |         |       |          |             |          |   |
| Ayuntamiento de Sevilla (municipality) (Spain)   |          | x       |       |          |             | AP1      | innovation center as a hub for SSE agents   |
| Agencia Andaluza de Cooperacion Internacional AACID (Spain)                                    |          | x       |       |          |             |          |   |
| Ministry of Labor, Social insurance and Social Solidarity (Greece)                             |          | x       |       |          |             |          |   |
| Ministry of Labor (Palestine)  |          | x       |       |          |             |          |   |
| Min. de la femme de la famille et de l'enfance (Tunisia)                                       |          | x       |       |          |             |          |   |
| Environmental Quality Authority (EQA) (Palestine)  |          | x       |       |          |             |          |   |
| Birzeit University (Palestine)   |          | x       |       |          |             |          |   |
| Min. des affaires sociales (Tunisia)   |          | x       |       |          |             |          |   |
| ANETI (Tunisia)  |          |         | x     |          |             |          |   |
| ABCDE (Association Beder pour la Citoyenneté et le Développement Equitable – Tunisia)          |          |         | x     |          |             |          |   |
| Coeptis (France)   |          |         | x     |          |             |          |   |
| ICOSI (France)   |          |         | x     |          |             |          |   |
| Coopmed (France)   |          |         | x     |          |             |          |   |
| Associazione Microfinanza e Sviluppo (Italy)   |          |         | x     |          |             |          |   |
| ICNS (Instituzione Centro Nord Sud – Italy)  |          |         | x     |          |             |          |   |
| REMESS (Réseau Maroccoain de l'Economie Sociale et Solidaire – Morocco)                        |          |         | x     |          |             |          |   |
| Solidarity Consultancy and Counselling Network (Greece)  |          |         |       | x        |             |          |   |
| Municipality of Barcelona (Spain)  |          |         |       |          |             | AP2      | Designing universal income systems in alliance with SSE   |
| Tubas Municipality (Palestine)   |          |         |       |          |             | AP3      | Using innovation in the public sector   |
| Ministry of local administration (Jordan)  |          |         |       |          |             | AP4      | Development of an innovation fund   |
| REAS Andaluca - Red de Economia Alternativa (Spain)  |          |         |       |          |             | AP5      | Reinforcement of SSE networks and markets   |
| Tunisia General Labor Union (Tunisia)  |          |         |       |          |             | AP6      | Advocacy for adoption of an SSE law, training and mobilization of civil society youth             |
| Municipality of Santa Coloma de Gramanet (Spain)   |          |         |       |          |             | AP7      | Innovative digital payment system that stimulates economic growth, supports job creation and SMEs |
| <b>COUNTRIES OF IMPLEMENTATION</b>   |          |         |       |          |             |          |   |
| Spain  |          | x       |       |          |             | x        |   |
| Italy  |          |         |       |          |             | x        |   |
| Greece   |          | x       |       |          |             | x        |   |
| Portugal   |          | x       |       |          |             |          |   |
| Tunisia  | x        | x       | x     |          |             | x        |   |
| Jordan   | x        | x       |       |          |             | x        |   |
| Palestine  | x        | x       |       | x        | x           | x        |   |
| Lebanon  | x        |         |       | x        | x           |          |   |
| Morocco  | x        |         |       |          |             |          |   |
| Egypt  | x        |         |       |          |             |          |   |

IN ORANGE: not included in the perimeter of WP5 study





## Annex 4: The Impact Compass by Stanford University Centre for Social Innovation

According to Stanford's Centre for Social Innovation, social innovation can be assessed according to its impact. In turn, its impact can be assessed according to what the Stanford Business School presents as the Impact Compass<sup>12</sup>.

The Impact Compass serves to give a holistic picture of the impacts that the stakeholders (should) pay attention to. The model captures 6 dimensions of social impact and allows to gauge impact along these dimensions. It is intended to help answer the question: "how much impact does a program, an investment, a social venture or a philanthropic or donation opportunity generate for society?".

The social impact that an initiative has is a factor of:

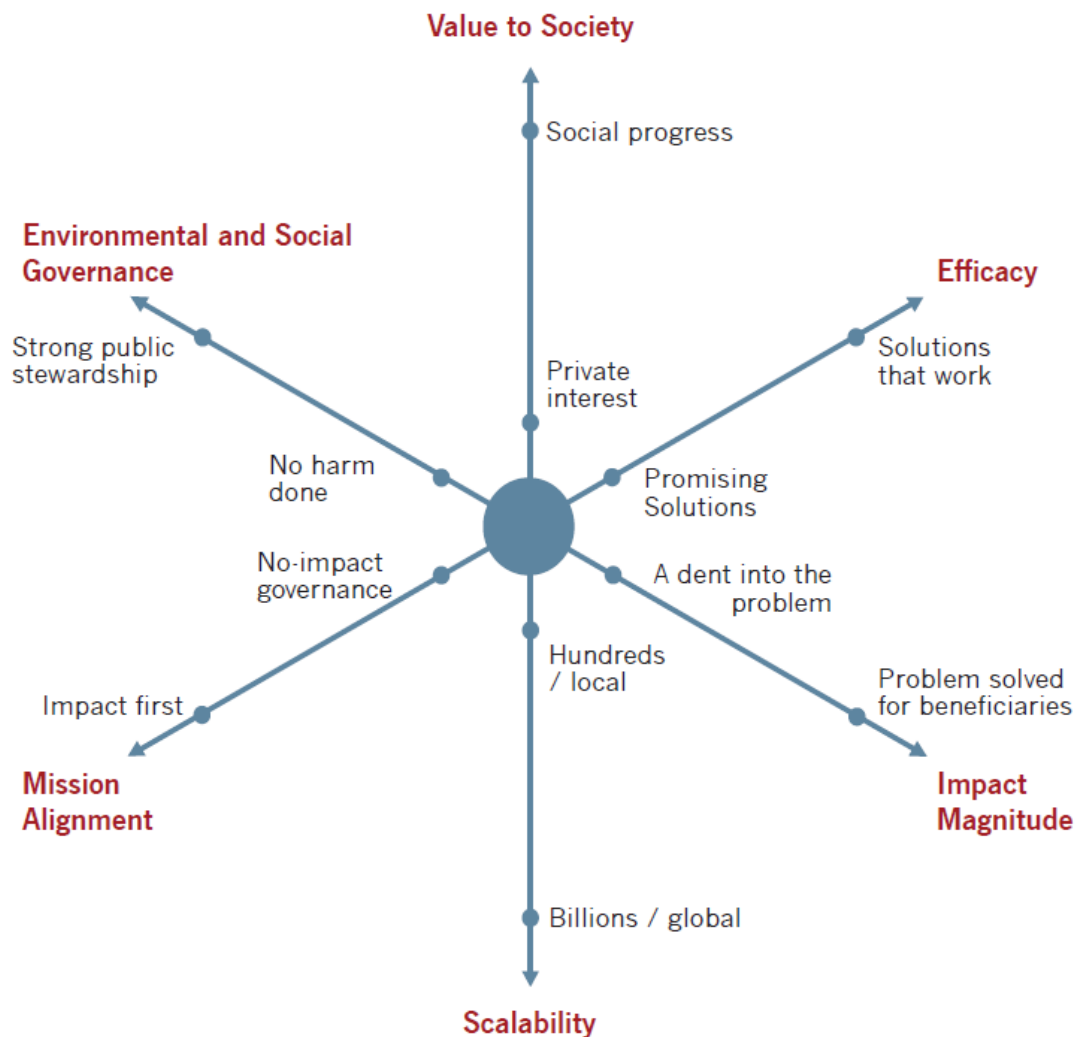
- A. Social value : the nature of the value a solution produces
- B. Efficacy: whether the solution actually works
- C. Magnitude: how much of the problem the solution actually addresses for any individual beneficiary
- D. Scalability: how much people it can reach
- E. Mission alignment: intentionality and focus on delivering that value
- F. Responsibility (ESG): the extent to which the production of the solution generates counterproductive externalities in the process

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<sup>12</sup> Source: The Impact Compass, White Paper, Center for Social Innovation, Stanford Business School, <https://www.gsb.stanford.edu/experience/about/centers-institutes/csi/impact-compass>



### The Impact Compass: the 6 Dimensions of Social Impact



The Impact Compass includes a three-point scale on each of the dimensions, with scoring that is built on an approach that differentiates between various degrees of positive impact ('1' is a positive yet weak impact, while '3' represents significant positive social impact).

The assessment of the social impact would be built starting from simple clear questions:

**A.** Social value or Value to society:

To what extent does the intended outcome deliver societal value?

The urgency of the need for the solution would determine the score.



- A score of '1' would mean that the outcome is positive to society, yet the intervention does not amplify impact of does not advance social progress.
- A score of '2' would translate an outcome that advances social progress where it is needed.
- A score of '3' reflects an outcome that advances social progress where it is needed most.

#### B. Efficacy:

How certain are we of the effects of the solution?

That boils down to evaluating whether or not the solution actually works. This is hard to evaluate when a solution hasn't been put to the test yet. The greater the certainty around efficacy, the stronger the future potential of a solution.

Scores:

1: solutions that sound promising based on their theory of change in the learning culture of the organization or team

2: solutions that have been tested through a pilot

3: solutions that have produced positive results in random control trials

#### C. Magnitude of the solution:

How much of the problem is the intervention solving per person or per unit? Is the issue being solved partially or completely?

#### D. Scalability:

What's the potential of a solution to scale? How much of the affected population or community can this model address? In order to evaluate impact, the spectrum of the impact would be a relevant reference. While direct services are generally limited in scope (score 1), scaling direct services across a country would, for example, score 2,



whereas system solutions are a game changer and likely to reach the most people (score 3).

#### E. Mission alignment:

To what extent is the organization driving toward outcomes?

A solution is more likely to reach significant impact when the organization pursuing it, is strongly committed to finding solutions to the issue it is trying to address. Strongly committed organizations focus on the issue better, work hard to refine the solution and do all they can to remove obstacles. The Impact Compass model relies on 4 indicators demonstrating organizational focus or mission alignment:

1. Theory of change articulated
2. Commitment to impact measurement and reporting
3. Aligned economic and impact models
4. Structural and capital choices protect mission

##### *1<sup>st</sup> indicator:*

Organizations that go through the trouble of clearly articulating a theory of change demonstrate a strategic mindset and signal a purposeful process of impact design

##### *2<sup>nd</sup> indicator:*

The more an organization is committed to impact measurement and reporting, the better the chances that the organization will collect the information it needs to iterate on its solution, improve it and ultimately increase its impact

##### *3<sup>d</sup> indicator:*

Whether or not the economic and impact models are aligned or in tension

##### *4<sup>th</sup> indicator:*

The choices made by the organization to protect its mission are good predictors of whether it will be able to sustain its impact over the long haul. The ultimate mission protection is to incorporate as a non-for-profit organization, but even as a for-profit, there are mission anchoring solutions. It is worth mentioning that there are corporations that allow the company directors to take into account other goals than



shareholder value maximization. Some companies have self-imposed accountability mechanisms. An organization's capital choices are also very telling about the kind of pressure it's under to prioritize financial return over social impact.

#### F. Responsibility (Environmental, Social and Governance):

This dimension answers the 'how' question. By delivering the solution that is meant to deliver impact, how does the organization impact society, including its employees, suppliers, clients, and the communities it operates in? how does it impact the natural environment, including the water, air, climate, wilderness habitat, etc.? is it governed with transparency and with concern for corruption and for the law? Ideally, an organization limits and mitigates externalities of its operations on the environment and the communities in which it operates. The more the areas of responsibility successfully covered, the higher the score on the Impact Compass.



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