

## Validation Workshop "Strengthening Support for Social Innovation"

## **Protocol**

On 25 March 2025, Ecologic Institute hosted an online validation workshop titled "Strengthening Support for Social Innovation", bringing together 21 stakeholders from various EU countries.

Zoritza Kiresiewa (Ecologic Institute) kicked off the meeting and outlined its objective: to validate and discuss a set of policy recommendations aimed at supporting social innovation initiatives. She further introduced the goals of the <u>3-CO</u> Project, which promotes sustainable consumption by 1) developing smart digital solutions (<u>3-CO app</u>), 2) providing practical guidelines for labeling and certification schemes, and 3) fostering social innovation as a driver for sustainability. Social innovation was defined by Zoritza Kiresiewa as new solutions that address social needs and empower communities, often bridging the gap between public, private, and non-profit sectors.

At the start of the workshop, John Vos from BTG and Zoritza Kiresiewa presented the results from an assessment of social innovation initiatives and the resulting policy recommendations. The assessment established that social innovation initiatives can take place in every sector of society, often foster community bonds, and may benefit disadvantaged people, such as the elderly and the underemployed. They contribute to responsible production & consumption, e.g. through better use of materials, extending product lifecycles, and preventing waste (food, packaging), and can serve as educational hubs, teaching sustainable practices and developing environmental advocates. The identified key barriers and derived policy recommendations were categorized into a) financial and regulatory challenges and b) collaboration and networking challenges and included improving access to EU funding, strengthening the role of regional agencies, introducing tax incentives, providing support for certification costs, and encouraging private sector involvement in social financing. Additional recommendations addressed public procurement, transparency, support for certification, regulatory stability, and the development of impact-based funding frameworks. Participants were invited to reflect on these challenges and recommendations during the plenary discussion.

Subsequently, Florian Birk from Social Impact gGmbH introduced the Platform for Social Innovation and Social Enterprises (SIGU Platform), which operates as a central hub in Germany, offering access to information, guidance, funding opportunities, and networking. Florian Birk emphasized the importance of providing tailored support to early-stage social



innovators and highlighted the role of platforms like SIGU in fostering collaboration, visibility, and access to resources across the sector. He stressed that not only products and services but also habits and practices fall under the concept of social innovation. With regard to the funding landscape in Germany, Florian Birk noted that funding organizations tend to support ideas, but not concrete innovations — a gap which needs to be closed. After the presentation, participants commented on the role of crowdfunding as a support mechanism for social innovation initiatives, as well as the use of impact measurement tools provided by the SIGU platform. The discussion highlighted that before launching a crowdfunding campaign, it is essential to first build a profile and, on that basis, a strong community, as mobilizing financial support without a community in place can be particularly challenging. It was held that crowdfunding campaigns can also serve as a 'market test' and as a means to increase the innovator's network. Regarding the SIGU impact measurement tools, it was noted that they can be used both by social innovation initiatives to assess and communicate their impact, and by funding organizations to evaluate the potential effectiveness of project proposals.

Afterwards, Johannes Suitner from TU Vienna focused in his presentation on the enabling conditions for local social innovation and the vital role of intermediaries. Drawing on practical insights, he outlined relevant success factors supporting societal transformation on the ground. Key points included the importance of sharing experiences, and offering administrative support, particularly with legal and funding-related challenges. He stressed the need to facilitate connections among initiatives, provide a dedicated contact person for trust and communication, and maintain flexibility to adapt to evolving needs. Johannes Suitner also highlighted the value of recognizing commitment through media visibility or awards. The role of recognition of social innovation initiatives was discussed and confirmed by some participants during the Q&A session following the presentation. Participants also noted that, based on the practical insights presented, there seems to be a tendency of social innovators to increasingly rely on public funds, which contrasts with the original idea of solving problems by entrepreneurial means (i.e. mainly relying on market mechanisms). The presentations were followed by a plenary discussion. In general, workshop participants provided positive feedback and agreement about the relevance of the presented policy recommendations. It was recommended to include an ambition or vision in the policy recommendations.

Not only certification costs are too high, but also the administrative burdens and organizational complexity. Often, external consultants need to be hired and paid. One of the innovators mentioned that the cost of certification has to be gained back from (additional) sales. The challenge for smaller companies, like social innovations, is that if you sell small amounts of products, the certification cost per unit will automatically be higher (economies of scale). Social innovators may also be facing high compliance costs. The Italian organization Junker had, for example, an advantage as they launched their initiative some time ago. If they had been established today, they would have faced a registration fee that was not required when they started.



During the discussion, participants noted that Social Impact Bonds have been discussed for more than 15 years, yet their practical implementation remains challenging, and their potential impact is still uncertain.

Furthermore, the Green Claims Directive (GCD) was recognized as a step in the right direction. However, concerns were raised regarding its implications for small sustainable actors, such as social innovators or others, who often lack economies of scale and face competitive disadvantages. It was emphasized that the directive must include mechanisms to prevent unintended disadvantages for these organizations.

Participants also highlighted the importance of place-based knowledge in fostering successful community-based and social innovation initiatives. Understanding regional contexts, local needs, and stakeholder dynamics was seen as essential for ensuring the long-term success and impact of such initiatives.

Regarding dissemination, presenting the policy recommendations at a targeted policy event was suggested. However, participants acknowledged the challenge of attracting policymakers to such an event.

The discussion concluded with a summary of key points, emphasizing that the feedback collected during the workshop will be incorporated into the policy paper.