

Insights on Social Investment

Experience from the Nordic region



Insights on Social Investment – Experience from the Nordic region

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Preface

The concept of social investment is gaining ground within the Nordic region.¹ Across the Nordic region, various experiences have accumulated in this field, both at the local and national levels, though a more systematic collection and summarization have been lacking. This report has collated knowledge about social investment at three levels: 1) National investment projects, funds and other framework conditions, 2) social impact bonds and 3) local experiences in municipalities and/or regions.

The project was carried out by project director Rasmus Højbjerg Jacobsen (project manager) and senior researcher Beatrice Schindler Rangvid. Analyst Niels Westermann Brændgaard assisted with the information search in the early phase of the project.

The report is partly based on interviews with several experts from the Nordic region. VIVE would like to thank them for participating in the interviews and sharing their valuable experience.

The project has been followed by an advisory group of representatives from the Nordic region. The report has undergone external review, and we thank the reviewers for their valuable and insightful comments. This report was funded by a grant from the Nordic Council of Ministers administered by the Danish Ministry of Social Affairs, Housing and Senior Citizens.

Hans Hummelgaard
Head of research for VIVE Quantitative Methods

¹ The Nordic region comprises the countries of Denmark, Finland, Iceland, Norway and Sweden, as well as the Faroe Islands, Greenland and Åland.



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PART 1

Reporting

Main results

The concept of social investment is gaining ground within the Nordic region. Social investments often focus on a double bottom line: delivering both better human outcomes and economic returns, typically in the form of reduced public spending. This report presents the findings of a project that has collated experience and identified best practices in social investment at local and national levels in the Nordic region. The report presents findings from Denmark, Finland, Norway and Sweden, as these were the countries in the Nordic region where we were able to identify examples of social investment.

The report examines social investment through three separate analyses: (i) national frameworks and institutions, (ii) social impact bond (SIB) investments and (iii) local social investments. Below, we summarize the findings of these analyses.

National frameworks and institutions

- In Denmark, central government has contributed to the advancement of social investment through the Social Investment Model (in Danish: *Den Socialøkonomiske Investeringsmodel* (SØM)) and the Social Investment Fund (in Danish: *Den Sociale Investeringsfond* (DSI)). Private investors have also participated in social investment.
- In Finland, until 2020, the Finnish Innovation Fund Sitra was the leading institution for social investment. In 2020, the Ministry of Economic Affairs and Employment took over the responsibility for advising on and administering social investment and established the Centre of Expertise for impact investing. Private funds have invested in many of the social investment projects in Finland.
- In Norway, responsibility in the central government for social investment lies within the Ministry of Labour and Social Inclusion. The Norwegian Association of Local and Regional Authorities has played an active role in social investment and has designed a calculation model for social investment, *Utenfor-regnskapet*.

About the report

This report examines the status of social investment in the Nordic countries to identify learning points for future social investment in the Nordic region.

The knowledge presented in the report was gathered using a combination of desk research and virtual and face-to-face meetings.

- In Sweden, central government has only played a small role in social investment. At the local and regional level, the Swedish Association of Local Authorities and Regions has promoted social investment and has encouraged municipalities and regions to form local social investment funds. Private investors exist, but so far there has been limited interest from the public sector to engage in social investment projects with private funding.

Social Impact Bonds

Social impact bonds (SIBs) are often described as a series of contractual agreements that ensure:

- payment for achieved social outcomes,
- up-front repayable capital provided by a third party; that is, a three-way partnership between the public sector, service providers and private investors,
- repayment of capital is conditional on achieving pre-defined measurable social outcomes for a certain target group established by the commissioning authority.

In the Nordic region, Finland pioneered the implementation of social impact bonds (SIBs) in 2015. In Finland to date, we have identified two SIB projects which have been completed, three are currently underway, and at least four more are being designed.

Denmark has also seen significant progress in SIB development in recent years. Two SIB pilot projects have been completed, and at least 13 more SIBs are currently underway.

Sweden has only one SIB with external funding, and in Norway, there are currently no completed SIBs, but four are underway.

Local social investment projects

In this report, we use the following parameters to define when spending can be considered a local social investment:

- More resources in the short term: A fundamental condition is that a project uses more resources than what regular operations demand.
- Explicit investment logic: An investment is something that is made rationally and carefully, based on an expectation that it will yield a return, either in human or economic terms, over the long term.
- Double bottom line: For allocation of financial resources to be considered a social investment, the allocation must aim to have both human

and economic positive impacts. If the economic benefits come from increased productivity rather than effects on the target group, the allocation of financial resources may still be an investment, but not a social investment. Additionally, a project may still be regarded as a social investment even if the investment is expected to pay back less than 100% in economic gains.

Local social investments, as defined above, are widespread in Sweden and are also present in some Danish municipalities. However, it seems that the rest of the Nordic region has no local social investments that meet our defined criteria.

Conclusions

The report's main conclusions are:

- Social investment projects, as defined in this report (i.e. excluding social enterprises), are mostly small (compared to total expenditures within a social policy area), with only a few exceptions in Finland. This is due to both recruitment and organizational problems in coordinating projects across multiple stakeholders. Also, social investment projects tend to be 'incremental' with respect to already existing (public) social policies, which tends to limit the size of social investment projects.
- Social investment projects have succeeded in making local policymakers and administrators look at social policies from a more investment-oriented point of view. Therefore, to a larger extent than before the introduction of social investment, local policymakers' decision-making takes into account effects that will only occur after some time. Also, the rise of social investment projects has nurtured and expanded an evaluation culture within the social policy area.
- Private investors have mainly invested in social enterprises (e.g., the investor Ferd in Norway and the fund DSK in Denmark), and are moving into the market for social impact investment and payment-by-results projects (e.g., DSK Effekt in Denmark). Public and semi-public investors have primarily invested in projects run by municipalities and other local authorities (e.g., Sitra in Finland and DSI in Denmark), although private investors have also entered this market in both Finland, Sweden and Denmark. Currently, private investors in these countries have available funds for further investments.
- Balancing the need for capturing long-term effects with the practical constraints of tracking participants over extended periods is a significant challenge in evaluation design. Researchers and evaluators must carefully consider the trade-offs and determine the most appropriate evaluation time span based on the specific objectives, resources available and the nature of the social investment being assessed.

- Another issue in the design of social investment projects is the potential discrepancy between those who benefit from a successful intervention and those who pay for the results. In particular, many projects are run by municipalities, but also have potential economic consequences for regions and the state. Overcoming this coordination problem could be achieved by setting up national outcome funds, so that gains to the other parties can be paid for by this fund.

Specifically, when comparing social investment projects within the SIB setup to local or regional projects without an SIB setup, we observe that

- local projects without the SIB setup have more focus on learning than on reaching specific goals,
- evaluation methods tend to be more sophisticated in SIB projects, for example, SIBs often use quantitative effect measurement with control groups,
- challenges related to recruitment appear to be less severe in non-SIB projects compared to SIBs. Unlike SIBs, internal projects lack stringent contracts with obligations to external investors, and these contracts are often partially contingent on recruiting a specific number of participants.

1 Introduction

1.1 Background

Welfare and economic growth interact, and welfare policies can be regarded not just as public expenditures but as strategic investments in individuals. The concept of social investment is gaining ground within the Nordic region. Social investments often focus on a double bottom line: delivering both better human outcomes, and economic returns that typically take the form of reduced public spending. Consequently, social investment represents a way of working towards social sustainability.

1.1.1 Types of social investment included in this report: Social Impact Bonds and Local Social Investment

In general, social investment refers to interventions that promote the development of individuals in ways that benefit society as a whole. This report focuses on two types of framework for social investment: social impact bonds (SIBs) and local social investment.² Other frameworks for social investment, such as social enterprises, are not included in this report.³

To describe a broader perspective, researchers have also worked with the concept of a "social investment perspective" as a framework for a distinct set of ideas regarding practices and approaches to the development, management and implementation of social work within a municipal context (Balkfors, Bokström and Salonen 2020; Bjerre, 2021). The perspective underscores that social investments need not exclusively take the form of (temporary) projects or enterprises, but can also be regarded as a broader set of ideas and values. For instance, it involves a municipality maintaining a general focus on optimizing outcomes and long-term cost-effectiveness in their budgeting, planning and execution processes, thereby emphasizing the avoidance of short-term practices. Part of the inspiration for this concept originates from the concept of the "social investment state" or the "social investment paradigm" at the national level (e.g., Balkfors, Bokström and Salonen 2020), where the concept of

² The term 'social outcomes contracting' is becoming established as a collective concept for SIBs and local social investments within the EU.

³ In our understanding of social investment, we are referring to funds allocated exclusively to benefit socially disadvantaged individuals, with the "return" solely derived from the improved well-being of these citizens. Social enterprises do not fit within this framework for two reasons: (i) it is not clear what proportion of employees in social enterprises are actually socially disadvantaged – this can range from just a few employees on specific terms to the entirety of the workforce, and (ii) when assessing the returns on an investment in a social enterprise, it is difficult to discern how much can be attributed to positive social outcomes versus how much is simply due to the enterprise's overall success.

the 'social investment state' as an approach to welfare policy has gained recognition (Kvist 2016). In 2013, the European Union (EU) adopted a Social Investment Package centred on policies to invest in human capital throughout people's life course (European Commission 2013; de la Porte & Natali 2018). The Social Investment Package offers a policy framework that guides the policies of Member States toward social investment. This approach, while producing immediate effects, is expected to also yield lasting impacts, such as improved employment prospects and increased labour incomes, generating both economic and social returns over time.

Both SIBs and local social investments implement interventions that supplement or modify welfare services already provided through schools, social work, child and elderly care, labour market programmes and other providers. SIBs rely on private/third-party funding, while local social investments primarily rely on public funding for use within the public sector. The novelty of local social investments lies not in the addition of new financial sources, but in their focus on promoting innovation and long-term aspects of planning and management for interventions – long-term aspects that are often underestimated in traditional budget planning.

Below, we explain our approach to defining SIBs and local social investments in this report.

SIBs. In recent years, there has been increasing attention paid to the potential of SIBs to contribute to improving outcomes in a range of social policy areas. SIBs represent a form of outcomes-based commissioning where governments or commissioners enter into contracts with social service providers such as social enterprises or non-profit organizations, as well as with investors, to pay for the delivery of predefined social outcomes that result in public sector savings.

Under this model, risks are shifted from the public sector or the service providers to the investors (e.g., philanthropic foundations or the private sector), although there may be mechanisms in place to mitigate the investors' risk. As such, public authorities and governments can view SIBs as an attractive model for financing the delivery of social services, and they are becoming increasingly popular worldwide. However, they have also sparked debates on issues such as the delivery of social services and the quest for efficiency, the transfer of risk away from the public sector and what this means for social service providers, the capacity to better monitor and evaluate outcomes, and the increasing need to invest in preventative interventions.

Local social investment. The concept of LSI lacks a precise definition. It lies somewhere between formal SIBs, which involve external investments and well-defined payback schemes and local social projects conducted by municipalities or private entities, often without a clear focus on programme effects.

In this report, we classify an investment as a local social investment when it includes the following features:⁴

- More resources in the short term: A fundamental condition for an instance of a municipality's spending (investment) to be classified as a local social investment is that the project consumes additional resources beyond what regular operations demand. If such extra spending is funded by a grant from a foundation, it cannot be regarded as a municipal investment (but rather as a gift), and thus not as a local social investment. Moreover, if a municipal investment is used for target groups that would have required a much more expensive institutional offer from the outset, the municipality saves resources overall from day one, and thus such cases are regarded as a redirection of municipal funds rather than as an investment.
- Explicit investment logic: An investment is something that is made rationally and carefully, based on an expectation that it will yield a return, either in human or economic terms, over the long term.
- Double bottom line: For an investment to be considered social, it requires a focus on both human and economic consequences. If the economic benefits come from increased productivity rather than effects on the target group, it may still be an investment, but not a social investment. Additionally, a project may still be regarded as a social investment even if the investment is expected to pay back less than 100% in economic gains, as the investment is assessed on a holistic basis that considers both the human and economic benefits.
- Decision at the political level: In general, for projects to qualify as local social investments, there must be established political structures (e.g., annual planning cycles, guidelines, funding allocations, ad hoc committees, etc.) that support social investments. Simply allocating some budget flexibility to prioritize prevention investments with the expectation of long-term gains is typically not sufficient on its own to categorize it as a local social investment. However, it may align with a social investment rationale if the other criteria are met, particularly if a more cost-effective short-term alternative exists and if the municipality clearly defines its expectations for anticipated outcomes and economic consequences in advance.

1.1.2 Prevalence

Within the Nordic region, experience has accumulated in the field of social investment, both at the local and national levels. For instance, several municipalities in Sweden and Denmark have established local social investment

⁴ This classification is based on the definition developed in Bjerre (2021).

funds (SIF). As of 2014, nearly a fifth of Swedish municipalities had established SIFs. At the national level, governments have also introduced dedicated funds aimed at fostering social investment. In Denmark, for example, the parliament decided to create the Social Investment Fund (in Danish: *Den Sociale Investeringsfond*).

Experience has also been gained in the use of SIBs. Finland, for instance, has developed a SIB programme engaging 1,600 participants that aims to improve job satisfaction and overall well-being, thereby reducing sick leave among public employees.

Furthermore, models have been developed to help municipalities and other stakeholders assess the financial ramifications of social interventions prior to their implementation. These include initiatives such as Denmark's Social Investment Model (in Danish: *Den Socialøkonomiske Investeringsmodel (SØM)*)⁵ and Norway's 'Utenfor-regnskapet'⁶.

Despite the Nordic region's increasing experience in the field of social investment, the social investment approach to welfare remains relatively novel in the region and has lacked a systematic appraisal at the Nordic level. This report collates the experience that has been gained through the social investment initiatives in the Nordic countries and regions in the hope that it can provide a stronger knowledge foundation to guide upcoming national strategies for social investment.

1.2 Purpose of the study

This project has gathered experience and identified good practices in social investment, so that actors in the Nordic region can benefit from each other's experience.

This project has researched social investment in the Nordics at three levels:

- *Governmental investment projects, funds and other framework conditions*

The first part of the report examines what is being done at the governmental level to implement social investment in the Nordic region. We focus on governmental investment projects, including government investment funds in the Nordic region. Other contextual factors that may

⁵ <https://sbst.dk/tvaergaende-omrader/om-social-og-boligstyrelsens-viden/soem-og-oekonomiske-analyser/soem/om-soem>

⁶ <https://www.ks.no/fagomrader/innovasjon/sosiale-investeringer/utenfor-regnskapet/>

influence the feasibility of initiating social investments are also reported on – notably the development of public policy calculation models and facilitation of knowledge sharing.

- *Social Impact Bonds*
The second part of the report covers SIBs. We focus on best practice in these social investment contracts between external investors, welfare service providers and public commissioners. While the fundamental idea behind SIBs is not significantly different from that of local or governmental investment funds, the involvement of an external investor (and sometimes a service provider) introduces a different organizational setup to the investment fund setup.
- *Experience at the municipal or regional level*
The final part of the report includes insights from local social investment projects in the Nordic region. We focus on local investment funds, and present examples of several regional funds that we identified.

The report thus describes the prevalence of different types of social investment in the Nordic region and gathers experience and best practices from the social investment projects and frameworks that have been implemented.

1.3 Methods

We employed a diverse range of methods to collect data on experience with and instances of social investment in the Nordic region.

Firstly, we conducted desk research using internet searches to identify evaluation reports of completed projects (or midway evaluations), as we sought insights into best practices and lessons learned from these initiatives. We also used so-called *snowballing* to expand our data collection by following leads and references from the material we identified in internet searches and at various meetings (see below). The material identified included research-based studies, scholarly analyses and publications, along with evaluations and analyses conducted by consulting firms, think-tanks and both public and private organizations. The snowballing approach allowed us to uncover additional valuable material and diverse perspectives on social investment in the region.

Secondly, we engaged in both virtual and face-to-face meetings with a number of experts and stakeholders (see Chapter 7). These direct interactions enriched the information gathered during our desk research, enhancing the overall quality and credibility of our report. Our meetings encompassed various types:

- The project's advisory group meetings, which provided us with insights and feedback from experts from the Nordic region who are actively involved in social investment.
- Bilateral meetings with members of the advisory group.
- Meetings with other relevant stakeholders, including representatives from governmental agencies and non-governmental organizations.

While our data collection methods combining desk research with direct interactions with key stakeholders sought to capture a comprehensive picture of social investment in the Nordic regions, our methods do have limitations. The publications we have identified might not cover all the knowledge available in this field, as our internet search may have failed to have captured some of the relevant literature and experience on social investment.

Moreover, we were unable to read materials in Finnish and Icelandic, which might have resulted in us overlooking some relevant information. To mitigate this potential gap in our research, we took proactive measures to engage in dialogues with representatives from these countries. Additionally, the field of social investment is continually evolving, with new material being published regularly. Therefore, the information we gathered should be seen as a snapshot available knowledge up until June 2023.

2 National investment initiatives, funds and other frameworks

Before moving on to the actual social investment projects that have been carried out or are being carried out in the Nordic region, we first present the national frameworks in which these social investment projects exist. Since the organizing and initiation of social investment projects are more complex and have a longer time horizons than usual social interventions, a supporting framework can be important for the decision to actually initiate a social investment project. National institutions that provide support for social investment may thus be a catalyst for social investment at the local level.

In addition to identifying national support frameworks for social investment, we also sought to identify whether separate social investment projects have been carried out at the national level. We found no national-level social investment projects in the Nordic region, therefore this chapter focuses solely on presenting the national framework for each of the four largest Nordic countries. The smaller areas in the Nordic region have limited frameworks for social investment and correspondingly limited experience with social investment. The chapter presents the experience from the four selected countries alphabetically: Denmark, Finland, Norway and Sweden.

2.1 Denmark

The national interest in social investment projects in Denmark became widespread in the early 2010s, where the idea that social interventions could potentially have effects outside the areas that were usually measured was acknowledged. With inspiration from Sweden, one of the first nationally known initiatives was the so-called Skandia model, which was developed by the private pension and insurance company Skandia. Following the launch of the model, several municipalities participated in training in using the model for calculations of their local potential for social investment (Skandia, 2014).

Government initiatives

With the increased awareness and interest in social investment, Danish politicians have taken two central initiatives to support municipalities in their ongoing work with social investment.

First, the Social Investment Model (in Danish: *Den Socialøkonomiske Investeringsmodel* (SØM)⁷) which can assist municipalities and others in estimating the potential economic benefits of successful social interventions. Second, the Social Investment Fund (in Danish: *Den Sociale Investeringsfond* (DSI)) which can invest directly in social investment projects. SØM and the DSI are described in more detail in the following.

SØM – The Social Investment Model

SØM was commissioned in 2016 and the first model version was made publicly available in 2018. Since then, the model has been expanded several times, and since August 2023, version 3.1 has been downloadable.

SØM is an Excel-based calculation tool that allows users to estimate the economic consequences of social interventions. The model has more than 30 predefined target groups (e.g., individuals in homelessness or individuals with substance abuse), and for each of the target groups the average use of a number of public transfers and services has been calculated. Comparing the use of services for successful individuals to that of less successful individuals (as defined by register-based success criteria) gives a measure for the economic potential in moving an individual from the 'non-success group' to the 'success group' as a result of a successful social intervention. SØM has a time horizon of up to 20 years, but its data-based estimates only cover up to 10 years.

In addition to SØM giving municipalities and other interested parties a hands-on tool for calculating the economic benefits of social investments, initiatives accompanying SØM have included training for municipalities in how to use SØM and creation of networks among users of the model – all of which have pushed forward the idea of social investment. In practice, the model is used for one or both of the following steps: First, the model can be used for highlighting the general business case behind a suggested social investment project to give an indication of the economic potential of the project. Second, if not all individual data for project participants are available after the project, individual data can be supplemented with data from the model to give a broader picture of the project's economic consequences. The model has been used by various Danish municipalities for calculating the economic consequences of local interventions, and the Danish Authority of Social Services and Housing has also published such calculations for interventions which have been supported by the authority.

⁷ See more here (in Danish): <https://sbst.dk/tvaergaende-omrader/om-social-og-boligstyrelsens-vi-den/soem-og-oekonomiske-analyser/soem>

DSI – The Social Investment Fund

In December 2018, the Folketing (Danish parliament) decided to create the Social Investment Fund, which has a capital of 78 million Danish kroner (DKK), of which DKK 28 million are reserved for development of new projects and other areas such as information about the concept of social investment while the remaining DKK 50 million is for investment). While this fund may seem relatively small in economic terms, both we and others we have talked to believe that the DSI has been an important step forward in the advancement of social investment projects in Denmark. The fund has invested in a number projects, some of which are described in more detail in Chapter 3. Based on these initial DSI-funded projects, the fund has made templates for similar projects in the hope that the templates can be used to facilitate the upscaling of social investment.

As of September 2023, the DSI had invested a total of DKK 46.9 million in 11 separate projects⁸, with additional investments of DKK 8 million expected in the coming months. Therefore, at present, the DSI cannot start new investments before either receiving more funding from the government or getting returns on the investments already made.

Other institutions

Apart from the above government initiatives, an important national institution in Denmark is the private fund ‘Den Sociale Kapitalfond’ (DSK), which was founded in 2011 with the goal of investing in private businesses that contribute to solving social problems. The DSK has invested in both private enterprises and in social impact investment projects. One pillar of the fund, Den Sociale Kapitalfond Effekt, invests only in social impact projects and runs a number of projects in collaboration with municipalities, regions and private parties (see more in Chapter 3).

Other private funding possibilities for social investment in Denmark include the Lind Foundation, the Bikuben Foundation and the Tryg Foundation. The Lind Foundation is a non-profit organization that primarily invests in social entrepreneurs and NGOs. The Foundation focuses on data-driven impact measurement using the social return on investment (SROI) method.⁹ As of the end of 2022, the Foundation had made a total of DKK 23 million in donation commitments in 12 partnerships. The Bikuben Foundation is a private corporate fund that works with social investment. The fund has entered into a partnership with the DSI and Aarhus Municipality on a social investment project. The Tryg

⁸ Source: obtained from the secretariat of DSI.

⁹ <https://lindfoundation.com/about-us/>

Foundation has mainly financed social investment by being one of the main contributors to the DSK.

Status today

Currently, the area of social investment remains a focus point for both the Danish Ministry of Social Affairs, Housing and Senior Citizens and the Authority of Social Services and Housing. New social investments in municipalities and regions are encouraged, and currently funding partners have available capital for the area, although the public DSI is currently not able to finance new projects.

2.2 Finland

The Finnish national framework for social investment has changed considerably over the years with changes of central national institutions responsible for social investment. Below we present the setup of Finnish national frameworks for social investment from 2014 until the present day.

Since 2014, the semi-public investment fund Sitra¹⁰ has invested time and money in social investment projects in different areas of the country. In total Sitra has been involved in seven projects, ranging in focus from increasing employment among long-term unemployed persons to promoting the welfare of children, young people and families with children. Sitra has mainly played an advisory role in the projects, which means that the fund has gained extensive knowledge on the financing, implementation and payback design of impact investments in the social area. However, Sitra has also been a part investor in some of the projects. Sitra has thus both been involved in projects as an investor and as a consultant helping in organizing the projects.

In 2020, the Finnish Ministry of Economic Affairs and Employment took over impact investing development work from Sitra and set up a Centre of Expertise for impact investing. The task of the Centre is to improve procurement skills for new impact investment projects, further develop the impact investing market and assist in modelling the societal benefits of the projects. Furthermore, the Centre has a communication task in making the social investment financing model more widely known. Finally, the Centre aims to advise the different parties in social investment projects – public sector, project managers

¹⁰ Sitra was founded in 1967 as part of the 50-year celebration of Finland's independence. With a focus on competitiveness and growth the main object of the fund was to support Finnish enterprises in achieving these goals. In the 1990s Sitra was administratively moved from the Bank of Finland to a position direct under the Finnish parliament. Sitra's economy is run independently of the government finances, and the fund has supervisory board consisting of 14 members of parliament.

and service providers. The Centre moved to Motiva in the spring of 2022. Motiva is a government owned agency that offers help to firms, municipalities and others to make sustainable solutions – also in the social area.

At the time of the establishment of the Centre of Expertise for impact investing, the Ministry of Economic Affairs and Employment was already actively participating in two of the ongoing SIB projects in Finland (see description in Chapter 3).

Following the transfer of responsibility from Sitra to the Ministry of Economic Affairs and Employment in 2020 and to Motiva in 2022, it seems that fewer social investment projects have been initiated overall, but the total amount of money invested in social investment projects in Finland still is significantly higher than in other Nordic countries. This seems to indicate that the early investments have paved the road for better scaling of the social investment projects. In addition, the relatively high levels of social investment in Finland may be due to the fact that the Finnish projects also to a larger degree involve more municipalities than one, which also provides for better opportunity to realize potential economies of scale from the projects.

Non-governmental organizations

One private investor in Finland is the ownership cooperative Tradeka, which has more than 200,000 members. Tradeka is among the investors in the newest Finnish SIB projects, and in general aims at responsible investment.

Another non-governmental participant in social investment in Finland is FIM Impact Investment which has been active (under the name Epiqus) since early projects in 2015. The fund has invested in various types of social investment projects and has mobilized funding from among others the European Investment Fund.

Status today

In Finland, social investment is an ongoing pursuit and SIBs are in use. Institutions are in place to initiate and organize new social investment projects. However, we have not been able to find many new Finnish social investment projects, which may be an indication of the area somewhat slowing down in Finland – an impression that has been confirmed by Finnish sources.

2.3 Norway

Central government

In Norway, the national government responsibility for the area of social investments lies within the Ministry of Labour and Social Inclusion which is also responsible for other areas of social policy. As in the other Nordic countries, the local municipalities deliver on social policies welfare services for citizens.

So far, no separate public funding channel for social investment has been established in Norway, but social impact investment may be financed from successful application for more general funds from the government pools.

The Directorate of Labour and Welfare administers a subsidy scheme for the development of the social services in the NAV office. In 2022, within this scheme, the NAV offices were given the opportunity to apply for grants for local trials with impact contracts or similar models. NOK five million was set aside for the purpose. Four NAV offices received grants in 2022. A learning network was also created with the NAV offices and KS.

The funds have been continued in 2023. The purpose of the grant is to try out new financing and development models to solve social problems, to stimulate increased cooperation between municipalities/NAV office and social entrepreneurs. It is also a goal to gain more experience with the use of impact contracts and similar models for financing and developing new solutions to social problems. The design of the trials must be in line with local priorities.

Regional and local government

An important institution with respect to social investment is the Norwegian Association of Local and Regional Authorities (in Norwegian: *kommunesektorens organisasjon* (KS)). KS has advised Norwegian municipalities on social investment and has funded the development of a calculator called '*Utenfor-regnskapet*' that supports decisions on whether to initiate a social investment or not.

The Excel-based calculator model *Utenfor-regnskapet* was launched in 2019.¹¹ The calculator is inspired by other calculators and provides the user with the opportunity to calculate the economic consequences of social interventions aimed at children or adolescents from one or more of seven prespecified target groups (e.g., children from low-income families with parents with immigrant background or children diagnosed with depression or anxiety). The user can also specify the age of the target group (six age groups). The data for the

¹¹ See more at <https://www.ks.no/utenforregnskapet> (in Norwegian).

model cover the actual use of publicly provided transfers and services and include different areas such as income replacement transfers, education costs and correction facilities.

Experience from Norway shows that several municipalities have used the model to estimate the economic impact of social policies aimed at children and their parents. Furthermore, learning networks have been established for municipalities to learn from each other's experience with Utenfor-regnskapet.

Private funding

The Norwegian private investment fund Ferd has established a separate unit for investment in mainly social enterprises. Ferd has also invested in the Danish social investment fund DSK. So far, Ferd has not invested in social impact projects as defined in this report.

Status today

In the understanding of social investment projects used in this report, there have been few social investment projects in Norway. Some direct investments in social enterprises have been made, while only few other projects have been initiated. However, interested investors exist, although national government involvement has been rather limited.

2.4 Sweden

In Sweden, the national interest in social investment started around 2010 with the Skandia model that was developed by the pension company Skandia and inspired by the economic potential calculations of Nilsson and Wadeskog (2008). With training from Skandia, several Swedish municipalities started projects that should be considered as social investments, although they for the most part were not of the payment-by-results type with external involvement.¹²

Among those projects that were started was the Norrköping SIB, which we describe in Chapter 3.

No new national calculation tool has been developed in Sweden since the introduction of the Skandia model in 2010, but several local social investment projects have been subject to economic calculations. It should be noted that

¹² Another reason for the Swedish municipalities starting up local social investments during this period is that many of them received large unexpected payouts from repaid insurance payments due to smaller than expected sickness absence. Some of these funds were used for social investment purposes (Hultkrantz & Vimefall, 2017),

the Skandia model likely exaggerates the potential for economic effects of social inventions in some calculations by comparing the outcome of a socially disadvantaged individual to that of an 'average' individual – an outcome which for most socially disadvantaged individuals is unattainable.

The national government in Sweden has not established separate funding for social investment projects but has taken part in collaboration with other stakeholders. In general, the organization and funding of social investment projects in Sweden seems to have mainly been driven by local initiatives (which is also described further in Chapter 3).

SKR – the Swedish Association of Local Authorities and Regions

The Swedish Association of Local Authorities and Regions (in Swedish: Sveriges Kommuner och Regioner (SKR)) is the national association representing the interests of municipalities and regions in Sweden and it has been important in pushing forward social investment in Sweden. SKR has provided support and advice for local authorities that wished to start social impact investments. SKR has also developed a model for implementing a venture as a social investment. The model consists of six components, starting with a needs analysis and ending with implementation. All components are designed for the public sector and show what work needs to be done organizationally, strategically and operationally throughout the process.¹³

Other national institutions

The Swedish national research institute RISE has established a Social and Health Impact Center (SHIC) that helps municipalities and regions with social investments. In particular, SHIC participates in designing social investments and measuring the outcomes of social investments. SHIC has published several preliminary studies on social investment projects and has taken part in two social investment projects. SHIC's work has focussed on collaborating with relevant stakeholders, in particular local authorities, in setting up the framework for impact investment projects. This includes finding the precise target group for the intervention, determining the relevant time horizon for measuring impact and deciding on the best possible way to measure the effect of the intervention.¹⁴

Private investors are also active in the social investment area in Sweden. Leksell Social Ventures makes both direct investments in social enterprises and in social outcome projects with payment-by-results structures. Also, Leksell Social Ventures has contributed to the fund Utfallsfonden (established in the spring of 2023), which has a total capital of SEK 350 million, of which

¹³ See more at <https://www.uppdragpsyiskhalsa.se/sociala-investeringar/> (In Swedish)

¹⁴ See <https://www.ri.se/en/shic> for more.

half comes from the European Investment Fund. Utfallsfonden states that it will invest in both social enterprises, development projects and payment-by-results projects in municipalities.¹⁵

Status today

Social investments in Sweden today are mainly locally driven and initiated. The national government has no dedicated authority or office for social investments, but as mentioned above, the Swedish Association of Local Authorities and Regions SKR is active in supporting local authorities who undertake social impact investment. There are active private investors in Sweden but so far there has been limited interest from the public sector to engage in SIB models.

2.5 Other parts of the Nordic region

During the knowledge gathering process for this report, we have searched for information about national initiatives and policies on social investment in Iceland, the Faroe Islands, Greenland and Åland. However, we have not been able to find national initiatives in these parts of the Nordic region.¹⁶

¹⁵ Source: <https://www.utfallsfonden.se/investeringsstrategi>

¹⁶ In Iceland, the Ministry of Social Affairs has made a calculation of the economic potential of implementing prosperity legislation in Iceland. The aim of the legislation would be to minimize the risk of Icelandic children experiencing adverse childhood effects (ACE). As ACE are associated with higher public costs later in life, a calculation of investment profile can be made. The calculation estimates that the break-even year for the proposed policy is approximately 15 years in the future.

3 Social investment projects

In the Nordic region, long-term investments in human capital, including areas such as pre-schools, schools, family support and early intervention for at-risk youth, are typically managed using a one-year-ahead budget planning approach. However, this method has been criticized for resulting in biased resource allocation due to short-sightedness, silo mentality and risk aversion. A fundamental motivation behind social investment is to promote broader, long-term perspectives, especially concerning prevention and early intervention.

3.1 Social impact bonds (SIBs)

In recent years, there has been increasing attention paid to the potential of SIBs to contribute to improving outcomes in a range of social policy areas. SIBs represent a form of outcomes-based commissioning where governments or commissioners enter into contracts with social service providers such as social enterprises or non-profit organizations, as well as with investors, to pay for the delivery of predefined social outcomes that result in public sector savings.

3.1.1 The Rise of SIBs worldwide

Since the launch of the first SIB in the UK in 2010, which aimed to improve outcomes for short-sentence prisoners and address the high socio-economic costs of prison recidivism, SIBs have been implemented in many countries. Due to issues around definitions of SIBs and the ongoing development of new SIBs, it is difficult to estimate the overall number of SIBs. However, a conservative estimate suggests that 222 SIBs have been implemented in 39 countries, mostly related to social welfare objectives, employment, education and health (Brookings, 2023). Other estimates are even larger, such as Go-Lab's estimate of 283 SIBs¹⁷.

The majority of SIBs have been developed in the UK, with over 90 in total, followed by roughly 30 in the US, 15 in Australia, 18 in Japan and eight in Canada. In continental Europe, more than 70 SIBs have been launched in countries such as Portugal, the Netherlands, Finland, Denmark, Belgium and Germany. However, the SIB market remains relatively small.

¹⁷ <https://golab.bsg.ox.ac.uk/knowledge-bank/indigo/impact-bond-dataset-v2/> Accessed on September 15, 2023.

The definition of what qualifies as a SIB is not universally agreed upon, and various interpretations exist within the field. However, SIBs are often described as a series of contractual agreements that ensure:

- Payment for achieved social outcomes
- Up-front repayable capital provided by a third party; that is, they comprise a three-way partnership between the public sector, service providers and private investors
- Repayment of capital is conditional on achieving pre-defined measurable social outcomes for a certain target group established by the commissioning authority

While the ideal type of SIB involves payment entirely tied to outcomes, many actual SIB examples deviate from this ideal type. The further from the ideal type an actual SIB example moves, the more similarities it has with other schemes. For example, a service procured by a commercial actor with a component of results-based compensation is to be considered a so-called payment-by-results or pay-for-performance arrangement rather than a SIB (Carter et al. 2018). Many examples of SIBs deviate from the ideal type, for example in terms of type of outcome compensation, forms of capital and executors. However, all SIBs contain mechanisms for outcomes for a certain target group, financing of efforts and regulation of financial flows between concerned actors.

In this report, we use the term 'social impact bonds' to refer to a subgroup of social investments that focus on measurable social outcomes, that have a clearly specified repayment mechanism, and that raise capital from a third party. Third-party capital may come from sources other than private sector investors, such as charities or foundations, which is more common in the Nordic region.

3.1.2 SIBs in the Nordic region

This section provides a brief overview of the current state of SIB implementation in the Nordic region. SIBs have been implemented in various policy areas such as social welfare, education, criminal justice and recidivism and employment. Social welfare SIBs have been used to address issues such as homelessness, adoption, long-term foster care, family strengthening and support for disadvantaged youth. Table 5.1-Table 5.8 in Part II of the report provide an overview of completed and ongoing SIBs in the Nordic region.

Unlike the practice in Anglo-Saxon countries, several Nordic SIBs utilize municipalities as the service providers. This involves external investors funding municipal employees, a model observed in Norrköping, Sweden, as well as in

numerous projects in Denmark where DSI (the Social Investment Fund) acts as the investor.

In the Nordic region, Finland has the most extensive history (dating back to 2015) with the SIB model. To date, two projects have been completed, three are currently underway, and four more are being designed. The first Finnish SIB aimed to prevent sickness absence in municipalities, the second aimed to improve employment rate of people with a foreign background, and the third aimed to improve life conditions for socially vulnerable children and adolescents. The second Finnish SIB is Europe's largest to date, with EUR 13 million (SEK 150 million) raised in capital. The European Investment Fund (EIF) was the largest investor, having contributed approximately EUR 8.5 million (SEK 100 million) to the project. Sitra, an organization founded in 1967 with a mission to support innovation and system change for Finnish society, is a key player in Finland's SIB market. Sitra aims to promote a shift towards greater focus on prevention and to encourage the use of public resources to reward outcomes rather than activities.

Denmark has also seen significant progress in SIB development in recent years. Two pilot projects have been completed, and at least 13 more are currently underway. While both pilot projects aimed to help mentally disabled individuals find employment, the ongoing projects extend into other areas such as social welfare, health and education.

In Denmark, the development of SIBs has occurred through both public and private channels. In December 2018, the Folketing (Danish parliament) decided to create the Social Investment Fund. While the Fund is relatively small in economic terms, it is an important step in the development of SIBs in Denmark. On the private sector side, the private fund *Den Sociale Kapitalfond* (DSK) has played an essential role. It was founded in 2011 and has invested in a number of projects. Both funds are described in more detail in Chapter 2.

Sweden has only one SIB with external funding, located in the municipality of Norrköping, aimed at reducing the number of re-placements of children already placed in social care and improving school results of children and young people who were previously placed in state care.¹⁸ In 2021, the Social Impact Center (SHIC) was established at RISE (the independent, state-owned Research Institute of Sweden) to assist and support the public sector in innovation and development.

In Norway, there are currently no completed SIBs, but four are underway. They aim to (i) improve social and education outcomes among at-risk children, (ii) reduce recidivism among former prison inmates, (iii) help children growing up at

¹⁸ In Sweden, SIB models are referred to as "Sociala Utfallskontrakt," which translates to "Social Outcome Contracts" in English.

risk of maltreatment and (iv) bridge the intergenerational gap. The same corporate social investor, Ferd Social Entrepreneurs, is involved in all four projects.

No SIBs have been identified in other areas in the Nordic region such as Iceland, Greenland, the Faroe Islands and Åland.

3.1.3 Best practices and challenges in setting up and running SIBs

As the implementation of SIBs continues to gain momentum in the Nordic region, it is important to consider the best practices and challenges that have emerged. In this chapter, we explore some of the key factors that contribute to successful SIB implementation, as well as some of the common obstacles that must be overcome. The following insights are drawn from the examples of projects we have identified and are thus substantiated by the material gathered during our investigations for this project.

Sophisticated financial instruments

SIBs are sophisticated financial instruments that demand technical expertise, dedication and collaboration to establish, operate and assess. The process of originating and closing an SIB deal can be a resource-intensive and time-consuming endeavour (see e.g., Kyösti & Airaksinen, 2020). Moreover, legal issues can limit the implementation of SIBs. One of the biggest challenges in assessing the success or failure of a SIB is the attribution problem, which makes it challenging to determine to what extent the results are a direct outcome of the intervention programme. Effective performance management in SIBs requires high-quality data, which can be expensive to collect, leading to challenges in data management processes.

Small municipalities

Due to the complexity of SIBs, small municipalities with limited resources for development may face particular challenges in setting up and implementing SIBs. In addition, it may be challenging for small municipalities to locate enough suitable individuals in the target group for the intervention programmes. One possible solution to this, as exemplified by the Children's Welfare SIB in Finland, is to consolidate several individual programmes from different municipalities under a single financing arrangement. Under this umbrella SIB, each municipality can customize the programme to suit its specific needs and the desired social benefit they aim to achieve, thus targeting distinct service user groups, interventions and desired outcomes to cater to the unique needs of each municipality. The delivery of various municipality programmes under a single overarching SIB framework offers numerous potential benefits. By diversifying investments across multiple programmes, the impact

on investors of a specific approach proving unsuccessful is reduced, presenting a more attractive risk profile. Additionally, the unified SIB structure minimizes the number of separate contracts that need negotiation, thereby likely reducing transaction costs compared to several individual SIB projects. Also, by consolidating programmes into a single SIB, it becomes more feasible to achieve the scale necessary to attract investors and/or minimize transaction costs while still addressing the distinct needs of particular service user groups (European Investment Advisory Hub, 2021).

Private service providers

In the Nordic region, commissioners may be hesitant to establish SIBs due to the risk of failure associated with contracting private service providers, given that welfare services are frequently provided by the public authorities.

Documentation requirements

Ensuring that the payment model and outcomes are clearly defined and measurable is a key challenge in implementing SIBs. Excessive documentation requirements for repayment mechanisms should be avoided, in particular if they extend beyond the active project period when the project participants are no longer 'within reach' (see e.g., Salling et al. 2021).

Defining the target group and establishing referral mechanisms

SIB projects often target vulnerable or hard-to-reach populations, such as individuals experiencing homelessness, long-term unemployment, or mental health issues. Engaging and recruiting these individuals into the programme can be difficult due to their unique needs and circumstances. Recruitment difficulties can, for example, arise from: (1) citizens not wanting to participate, (2) the target group turning out to be smaller than expected, (3) the target group turning out to be different than expected. Defining the target group and establishing referral mechanisms from the beginning is important for avoiding low activity levels in the first stage of implementation. For example, a low number of referrals for refugees in the first year of the Integration SIB (Finland) presented a challenge due to the responsibility for referrals lying with employment offices. Referral mechanisms had not been established from the beginning and were not written into formal contracts. Also, an evaluation of a series of recent SIBs from Denmark highlights the significant challenge of recruiting enough citizens in relation to the set goals, leading to delays in several of the SIBs. To address this issue, payment models have been adjusted to accommodate lower enrolment (Den Sociale Investeringsfond, 2023).

Adequate resources

Adequate resources should also be dedicated to the referral process to avoid selecting participants who do not fit the project and drop out later (see e.g., Salling et al. 2021).

Aligning project objectives and bonus payment measures

Aligning project objectives and bonus payment measures can also be difficult. For instance, in the Occupational Well-being SIB (Finland), the project aimed to promote well-being in public sector employer organizations. However, measuring well-being in an objective manner proved difficult, and when sickness absence was used instead of well-being as the outcome measure, the SIB's objectives were quickly redirected towards sickness absence instead of well-being (Pehkonen et al., 2019).

Innovation

The adaptable nature of SIB commissioning has fostered innovation among some commissioners, particularly in procurement practices and service design, allowing service providers to design suitable services for the target group (Salling et al. 2021; Bokström et al. 2022). The approach of specifying parameters and letting service providers design services has led to the development of higher-quality and more innovative approaches. Relaxed documentation requirements can also provide the opportunity to use more resources on helping citizens and to use fewer resources on documentation work (Salling et al. 2021).

Potential undesired effects of SIBs

SIBs have the potential to trigger the phenomenon of 'gaming' the metrics of a SIB, whereby actors may have an incentive to manipulate a SIB's effect measurement data or parameters (Carter, 2021; Dixon 2021). For example, recruitment into the target group can create challenges as municipalities may want to include more challenging cases, while investors and service providers may prefer to select persons who are more likely to achieve the agreed-upon performance targets, a phenomenon known as 'cherry-picking' (Salling et al. 2021). This behaviour, along with 'cream-skimming' (including only the highest achievers) and 'parking' (excluding the hardest to reach), can have undesired effects. Therefore, to avoid such gaming behaviour, rigorous methodological design is important to identify measurable social outcomes and appropriate target groups. However, experts from the Nordic region that we have talked to suggest that such behaviour is not generally a concern in practice.

Various SIBs have attempted to mitigate unintended behaviour by modifying their contract designs. One such modification involves using frequency measures rather than binary measures, as frequency measures are less susceptible to unintended behaviour such as cherry-picking, cream-skimming and parking. For instance, the Occupational Well-being SIB (Finland) used the average number of sick days instead of a specific cut-off (e.g., below five sick days). Another SIB, the Employment SIB (Finland), was adjusted to provide a higher bonus for more difficult-to-employ individuals, such that it considered differences by age, education, length of unemployment and region (and in a slightly different way, the Back in the Ring SIB (Norway) was similarly adjusted). The Children (Welfare) SIB I (Finland) also made an adjustment so that actual costs were compared against cost forecasts (baseline) that the municipality had determined based on past trends or risk classification.

Scaling and heterogeneity

Scaling a SIB to include several participating units, such as organizations or municipalities, can create challenges in accommodating potentially very different units within a common SIB. The first challenge is that participating units may have different baselines for the performance measure. Using the same repayment scheme for vastly different units may result in low participation incentives if the bonus payment to the investor is larger than the savings in some participating organizations. For example, in the Occupational Well-being SIB (Finland), the contract stipulated a flat payment per avoided sick leave day. However, the cost of a sick leave day at different participating employers (and for different types of employees) varied. For some employers, it was cheaper not to reduce sick leave than to pay the bonus for success (Pehkonen et al. 2019). Therefore, calculating targeted, organization-specific payment schemes is critical.

It is also important to consider that providing identical services to dissimilar participating units may not be suitable. For example, in the Occupational Well-being SIB (Finland), the participating organizations had varying needs and requirements. Some organizations had employees engaged in specialist work, while others had employees engaged in medium to heavy physical labour. The number of sick days is typically higher among workers engaged in physical labour compared to teachers, for instance. Nevertheless, the same quantitative goal of reducing sick days by 2.1 days per employee was applied to all participants in the Occupational Well-being SIB. To address this issue, performance goals could be differentiated between different organizations. For example, in the Children (Welfare) SIB I (Finland), each municipality has its own bonus payment model. Additionally, adopting a percentage-based performance target, such as "reducing sick days by x%" instead of a specific number, such as "reducing the number of sick days per employee by 2" could be a more appropriate approach (Pehkonen et al., 2019). Last, providing identical services to

participating units with varying needs and circumstances, as seen in the Occupational Well-being SIB (Pehkonen et al. 2019), may not be sufficient.

'Wrong pockets'

The 'wrong pockets' challenge refers to inconsistency in who funds and who captures savings, which can lead to a distortion of incentives to engage in a SIB – for example, if one public authority acts as the commissioner and outcome funder, while another reaps (part of) the benefits/savings (Roman, 2015; OECD, 2016). This inconsistency may appear both vertically (e.g., among different levels of government, such as a municipality funding a SIB and the national government capturing (most of) the savings) and horizontally (e.g., among government agencies at the same level, such as the local education authority funding a SIB and the local finance authority capturing (most of) the savings).

Culture of monitoring and evaluation

SIBs offer an opportunity to nurture a culture of monitoring and evaluation in social service delivery. In general, there is a positive attitude towards working with outcomes in focus, in collaboration with several actors and with one clear model for follow-up and evaluation (e.g., Bokström et al., 2022).

Evaluation designs

The randomized controlled trial (RCT) approach is generally considered the 'gold standard' in research and evaluation designs, and is one of the evaluation methods that uses contemporaneous rather than historic comparison groups.

For example, the Integration SIB (Finland) used such an RCT evaluation design. However, one drawback with RCTs is the inability to extend the service to the entire target group before the end of the monitoring period without compromising the integrity of the evaluation, making it difficult to accurately attribute the impact of the intervention. This challenge arises because individuals in the 'control group' must remain untreated until the conclusion of the monitoring period.

While RCTs may theoretically be perceived as superior to other evaluation methods, this superiority does not always translate into practical application. In practice, we have identified only one SIB project that has employed an RCT as its evaluation method. The implementation of an RCT is demanding, often presenting feasibility challenges, and may not be the best solution to evaluation challenges (see also section 3.2.2 on other evaluation methods). Additionally, opting for RCT evaluations would exacerbate the already challenging

recruitment process in SIB projects, as a portion of those wishing to participate must be allocated to the control group.

Length of the monitoring period

Getting the length of the monitoring period right may be important. Savings may take time to materialize. In the Children in Public Care SIB (Sweden), for example, the savings for the municipality were realized only after three years, while the contract ended already after two years. A follow-up analysis showed that if the contract period had been longer, the investor would have received some pay-back of risk capital.

Thus, various incentives should be taken into account regarding the duration of the monitoring period. It is frequently advantageous for the municipality to opt for a shorter period since this reduces the likelihood of having to repay the investor, given that positive outcomes often require time to materialize. There are diverse factors to consider and methods to protect the interests of all parties involved. As an illustration, Aarhus Municipality has implemented an upper limit on their repayments in their dealings with external investors.

3.2 Local social investment funds and projects

The concept of local social investment lacks a precise definition. It lies somewhere between formal SIBs, which involve external investments and well-defined payback schemes, and local social projects conducted by municipalities or private entities, often without a clear focus on programme effects (see Chapter 1.1.1 for our detailed definition of local social investment).

3.2.1 Prevalence in the Nordic region

Based on our research for this project, the general trend seems to indicate that local social investments, as defined in Chapter 1, are widespread in Sweden and are also present in certain Danish municipalities. However, it seems that in other Nordic countries or areas, there are no local social investments that meet our defined criteria. As a result, the remaining part of this chapter will concentrate on local social investment in Sweden and Denmark. However, local social investment is not necessarily entirely absent in other countries and areas. There may be initiatives that have adopted the local social investment perspective, although they might not fully align with the definition constraints we have used in this report. For instance, in Norway, there have been initiatives that use social enterprises that can be viewed as a form of local social investment.

In Sweden, almost 50% of all municipalities have initiated work on local social investment in some way. Among these, one in two have allocated special funds for social investment (social investment funds; Balkfors, Bokström & Salonen, 2020). In total, 40% of all municipalities have had interventions that they have defined as social investment at least at some point.

The Swedish municipalities of Umeå and Norrköping were the first to create social investment funds in 2010 (Jonsson & Johansson, 2018; Källbom, 2014). Umeå Municipality funded SEK 120 million, along with a one-time investment of SEK 80 million for a jobs initiative providing full pay for young people, and Norrköping Municipality used SEK 40 million for social investment. The municipalities allocated economic surpluses and profits from municipal companies to the funds for investment combatting social and economic marginalization as well as for reducing youth unemployment. Other larger social investment funds have since been established in Örebro and Sundsvall municipalities, as well as in a number of regions, for example, Västra Götalandsregionen, Blekinge and Gävleborg.

Several municipalities in Denmark have established local social investment funds, but so far, only a few projects have been completed. Aarhus stands out as the municipality with the most diverse investment portfolio, which includes both local projects and SIBs. Aarhus has allocated DKK 40 million to its social impact investment fund. Of particular note is the municipality's use of an external investment council and its blending of internal and external financing. Furthermore, Aarhus possesses substantial administrative capacity for the development and evaluation of social investments.

The Danish Municipality of Ringsted launched a social investment fund in 2017 with an annual budget of DKK 4 million. Any unspent funds are redirected towards consolidating the fund in the following years. The fund invests in new long-term solutions in areas such as children and youth, the elderly and socially vulnerable groups. The municipality has set up a politically selected body to oversee the allocation of the fund's resources.

Similarly, Hedensted Municipality has also established a social investment fund, as have the municipalities of Ikast-Brande and Ishøj. Further, while the Municipality of Copenhagen lacks a specific social-economic investment pool, it uses various general investment funds to support a wide range of projects, including those that can deliver both positive social and financial results.

The local social investment initiatives in Denmark reflect a broad-based approach to social investment. They highlight a shared interest in the long-term effects of early social interventions, although the investment element has varying levels of emphasis. While Ringsted Municipality recognizes the value of

early and cross-cutting interventions, Aarhus Municipality has specifically focused on realizing the gains from its fund's investments.¹⁹ Part II of this report contains a list of example projects for reference (see Table 6.1–Table 6.2).²⁰ Denmark's first *regional* social investment fund was established in 2023 in the Central Jutland Region (Region Midtjylland).

3.2.2 Best practice and design issues in local social investment

Although there are certain similarities in the challenges encountered in local social investment and SIBs (described in the previous chapter), there are also notable differences. In the following, we report on the characteristics, advantages and disadvantages of local social investments based on the examples of projects we have identified and examined in this project. As mentioned above, local social investment has been predominantly embraced in Sweden, with more recent adoption in Denmark. The following observations primarily draw on experiences from Sweden, as limited documentation on best practices in Denmark was found.

Project preparation

Building an impact evaluation culture

Social investments have generated a demand for socio-economic impact analyses. However, municipalities and regions generally do not possess a firmly established culture, expertise and capacity to conduct rigorous evaluation work. It is important to recognize the significant challenges involved in initiating impact evaluation in municipalities, as it takes a considerable amount of time to establish an evaluation process. While a limited number of municipalities have implemented comprehensive models such as a conditional return approach (Norrköping) within their social investment funds, impact evaluations are generally regarded as very complex and burdensome.

Business case: Only cost reductions or also societal benefits

When determining which projects should receive funding, there is a debate about whether the assessment should solely focus on cost reductions or also consider other societal benefits. For instance, while educational outcomes may be the primary measure in school-related interventions, education can also yield additional societal advantages, such as reduced crime rates. Failing to incorporate these broader societal benefits in the assessment can lead to

¹⁹ Aarhus Municipality has allocated DKK 40 million to its social impact investment fund, with the possibility of co-financing from private investments. The fund mainly focuses on SIBs.

²⁰ This is not intended to be an exhaustive list of existing projects; instead, it provides a number of illustrative examples.

misleading conclusions. However, it is common practice to only consider internal cost reductions as investment returns, which may not provide a complete picture. Although this is likely not due to a lack of awareness of the potential broader effects but rather due to a desire to reduce the number of measurement variables to something practically feasible, it would be more accurate and informative to adopt a comprehensive perspective that encompasses a wider range of benefits when making decisions about funding projects.

Recruitment

As was the case for SIBs, challenges regarding recruitment of individuals in the target group into projects are also mentioned in evaluations of local social investments. Sometimes, it was more difficult than anticipated to recruit individuals to the project. In some projects, the individuals in the assumed/expected target group turned out to have different problems than those that were targeted by the intervention (this could be either more severe or less severe problems than the intervention was targeting). Sometimes potential participants from the target group were participating in other interventions, which made them ineligible for another intervention.

However, the challenges related to recruitment appear to be less severe in local social investment projects when compared to SIBs. Unlike SIBs, internal projects lack stringent contracts on repayment obligations to external investors, which are partially contingent on recruiting a specific number of participants and cannot be easily renegotiated. Consequently, addressing insufficient recruitment numbers becomes more manageable in local social investment projects, allowing for options such as expanding the target audience to enhance recruitment efforts.

Collaboration between municipal departments

An essential objective of local social investment funds is to dismantle the silo mentality between various departments in municipalities (Hultkrantz and Vimelfall, 2017; Nordesjö, 2023; Kyösti & Airaksinen, 2020). Thus, local social investment projects often require that at least two municipal departments collaborate, for example, education and social departments.

The local social investment project evaluations seem to suggest that the collaborative approach was generally seen as a good way of combining simultaneous interventions and taking a holistic approach (working in several environments, such as school, home, leisure time and with the whole family) and that this has the potential to provide good results for the target group. Working together across municipal departments seems to be able to provide a common picture of a specific problem (e.g., school absence) and this has the

potential to create consensus about what needs to be done both for individuals in the target group and structurally in the municipality.

However, challenges regarding collaboration were also mentioned in the evaluations, which we report on below.

Project management

Collaboration is difficult if there is no overall project management (with representatives of the participating departments) or if the representatives in the project management team have varying levels of authority (i.e., hold a management position or not) in their respective departments. It may take time to establish a functional project management team and to overcome uncertainties about the mandates of the representatives in the project management team to make decisions. Uncertainties in organization and leadership may lead to significant delays in a project.

Organizational changes

Organizational changes pose challenges for any ongoing projects. However, in the case of local social investments, the projects are especially susceptible to the impact of organizational changes due to the additional collaboration and coordination required across multiple departments. Organizations often tend to prioritize internal matters during periods of change, making it challenging to allocate sufficient resources and attention to collaboration and development efforts.

Sharing realized gains

A noteworthy design challenge in local social investments is how to ensure the distribution of gains within the municipality, especially when multiple departments are involved. This can present significant difficulties unless there are well-defined agreements between the specialized departments and the financial administration in the municipality.

Evaluation

More focus on learning from interventions rather than reaching outcome goals

Municipalities indicated that adopting the social investment approach, with its double bottom-line, leads to a greater focus on identifying issues and challenges within support systems compared to municipal initiatives that do not explicitly embrace a social investment mindset. This approach also promotes problem-solving to determine the necessary steps for effective functioning of

a project. As a result, the social investment approach nurtures a shift towards addressing underlying problems and finding solutions to ensure success.

Local social investment funds are primarily seen as initiatives driven by municipalities to support their own development activities. In line with this, and unlike evaluations of SIBs, a notable trend in assessments of local social investments is a primary focus on learning from the intervention itself - understanding what works and what does not work - rather than focusing on achieving the desired outcome. Municipalities are actively taking the lead in developing and taking ownership of these interventions. They leverage their experience to establish new best practices that can be integrated into standard procedures even after the project has concluded.

Data collection can be challenging

The evaluation of a local social investment project involves quantitatively measuring the achievement of outcome goals. Similar to the evaluation challenges of SIBs, there are challenges in gathering data for evaluation of outcome goals of local social investment. A monitoring system is required to gather data for both the baseline and the project's results and for comparing them to the outcome indicators. Since local investment programmes often involve multiple organizational units, in practice this requires integrating data from different systems based on the project's specific requirements. Additionally, any missing data must be collected using new solutions. This process can be time consuming, highlighting the importance of establishing data collection mechanisms before the project begins.

The evaluations of local social investment projects identify various challenges related to data, including issues with confidentiality that hindered access to essential individual-level data for assessment purposes. One potential solution in such cases is to seek informed consent from the relevant individuals in advance to allow use of this data.

One challenge that may arise in repeated data collection is when participant data is anonymized upon entry, making it potentially difficult to follow up on individuals after the departure of support staff involved in a project. Furthermore, if participants relocate to another municipality, it becomes impossible to track their progress and assess their outcomes. Such issues present significant challenges in terms of data collection and evaluation, as they limit the ability to assess the (long-term) impact of the project on these individuals.

Furthermore, effectively utilizing a monitoring system to gather data can be challenging. In a one project, it became apparent that the registration process was not functioning optimally. Outcome data were inconsistently recorded,

primarily due to limited understanding of the system, time constraints, uncertainties surrounding proper registration procedures and the perception that using the monitoring system was optional. Therefore, successful implementation requires well-established procedures, employee knowledge and understanding of the purpose and benefits of data collection.

Effect evaluation methods tend to be less sophisticated than in evaluation of SIBs

Social investment often aims to support at-risk populations that are difficult to reach through conventional means. The problems social investment addresses are often complex and intertwined with various factors, making it challenging to conduct a thorough evaluation that isolates the impact of a social investment project from other influences.

The discussions around municipal evaluations tend to fluctuate between two extremes. On the one hand, there is a prevailing casual attitude that overlooks the challenges associated with conducting a meaningful impact evaluation. On the other hand, there is an equally prevalent sense of pessimism that highlights various obstacles, such as confidentiality issues, ethical and legal limitations and small sample sizes, which can make impact evaluations difficult to conduct in municipal operations.

Between these opposing viewpoints, there are practical solutions that can be considered. Evaluation requirements should be set realistically and reasonably, taking into account the specific conditions of each individual project. For instance, conducting before-after studies, employing matched 'twin comparisons,' or benchmarking against successful cases can be alternatives that are easier to implement than more complex evaluation methods such as randomized controlled trials. Sometimes, a noteworthy step forward can be made by defining the key outcome variables beforehand and ensuring their collection throughout the project, even if it is not possible to have an ideal control group for evaluation. Also, while it is beneficial to track effects over a long period, focusing on measurable results in the near term can still provide valuable insights.

The social investments undertaken in municipalities and regions are typically implemented on a relatively small scale, making it challenging to establish clear intervention and control groups for obtaining conclusive results. However, the concern of small sample sizes tends to become less prominent over time, when programmes are repeated and external conditions remain relatively stable. In such cases, regional collaboration can be beneficial in facilitating the aggregation and dissemination of results.

Optimal time span for evaluation

There is an ongoing debate in the literature on social investment regarding the optimal time span for evaluation. Ideally, outcomes should be measured over a longer time period, taking into account delayed impacts that may not manifest immediately. This acknowledges that the full effects of social interventions may take time to materialize (e.g., Bokström et al., 2022). However, conducting evaluations over extended periods presents challenges.

Tracking participants over a longer time span can be logistically challenging and costly. Attrition may occur among programme participants or they may become harder to reach, resulting in potential data gaps. Additionally, identifying the specific impact of a social investment becomes more complex as time passes due to the influence of other external factors, such as participation in other interventions or broader social changes.

3.2.3 Regional social investments

We briefly explored social investments at the regional level and found that Sweden and Denmark have established regional funds for such initiatives. However, our desk research yielded limited information regarding these funds. In this section, we present the information that was available to us, offering some insights into the nature and scope of regional social investment programmes.

Regional social investment funds centre their attention on issues falling within the scope of regional responsibilities. Given that regions typically have responsibilities in healthcare and regional development, it is common for regional social investment funds to focus on those domains. Their objective is to tackle social dimensions of health, including the reduction of health inequalities and the enhancement of access to healthcare services.

Moreover, these funds support broader regional development initiatives. This support can take various forms, including facilitating the development of social investment projects, providing direct assistance to projects implemented in municipalities and fostering collaboration among smaller municipalities to combine resources for larger-scale endeavours. By engaging in these activities, regional funds aim at contributing to the advancement of social well-being and regional growth.

In Sweden, regions such as Västra Götaland (Kastberg & Hermansson, 2016; Henriksson & Gäbel, 2014), Blekinge, Gävleborg and Skåne (Aspegren et al., 2014) have dedicated funds for social investment. Västra Götaland in particular has extensive experience and allocates an annual budget of SEK 30 million

to fund various projects in areas such as vulnerable children, education, healthcare for disadvantaged families, social sustainability and promoting a culture of evaluation.²¹

When regional funds provide financial support, the projects are typically co-financed by the applicant, usually a municipality. Co-funding requirements can be substantial, ranging from 30% to 50% of the project's total cost.

In Denmark, the Central Jutland Region (Region Midtjylland) has recently established a regional fund called 'The Fund for Health Equity' with an initial budget of DKK 8 million. This fund focuses on health projects aimed at promoting health equity. Its purpose is to initiate and support collaborations in the field of health to strengthen efforts and address health-related and social issues.

In some cases, regions collaborate with municipalities in their social investment initiatives. For example, the Municipality of Aarhus, Denmark, runs a project called 'Din vej i job' (Your Path to Employment) targeting cash assistance recipients over the age of 30. This project collaborates with Regional Psychiatry to help participants enter and sustain regular employment or pursue education.

Similarly, the Municipality of Sundsvall in Sweden has a project called 'Tidigt stöd' (Early support), which aims to enhance early detection of child neglect among children aged 0-3. In this initiative, the Region Västernorrland collaborates with the municipality.

These examples highlight the involvement of regional entities in social investment, either through establishing dedicated funds or participating in collaborative efforts with municipalities to address social and health-related challenges.

²¹ A list of ongoing projects can be found here: <https://www.vgregion.se/regional-utveckling/regional-utvecklingsstrategi/kraftsamlingar/fullfoljda-studier/sociala-investeringar/pagaende-sociala-investeringar/>

4 Conclusions and discussion

This chapter contains the main conclusions, recommendations and a discussion.

Conclusions

The concept of 'social investment' is well known in all Nordic countries and areas. Most countries have carried out a number of social investment projects or are currently underway with such projects. Social investment has taken many forms, and in some countries direct investment in social enterprises, which are not a focus of this report, is more common than social impact investing in social policy interventions.

Social investment projects, when limited to social impact projects, are mostly small (compared to total expenditures within a social policy area), with only a few exceptions in Finland. The limited size is due to both recruitment and organizational problems in coordinating projects across multiple stakeholders. Also, social investment projects tend to be 'incremental' with respect to already existing (public) social policies, which tends to limit their size.

Among the changes that have occurred when local authorities have started social investment projects is that they have succeeded in making local policy makers and administrators look at social policies from a more investment-style point of view. Therefore, in their decision making, to a larger extent than earlier, they tend to take into account effects that will only occur after some time. Also, the existence of social investment projects has supported and expanded an evaluation culture within social policies.

At the national level, institutions supporting social investment vary greatly across Denmark, Finland, Norway and Sweden, and it appears that interest and initiatives at central government level and national institutional level are somewhat driving the development of social investment in Denmark and Finland, while the few national institutional stakeholders in Norway may be a reason for the lower number of social investment cases in Norway.

Private investors have mainly invested in social enterprises (e.g., Ferd in Norway and DSK in Denmark), and are moving into the market for social outcomes investment and payment-by-results projects. Public and semi-public investors have primarily invested in projects run by municipalities and other local authorities (e.g., Sitra in Finland and DSI in Denmark), although private investors have also entered this market in both Finland, Sweden and Denmark. Currently private investors in these countries have available funds for further investments.

When designing projects, balancing the need for capturing long-term effects with the practical constraints of tracking participants over extended periods is a significant challenge in evaluation design. Researchers and evaluators must carefully consider the trade-offs and determine the most appropriate evaluation time span based on the specific objectives, resources available and the nature of the social investment being assessed.

Another issue in the design of social investment projects is the potential discrepancy between those who benefit from a successful intervention and those who pay for the results. In particular, many projects are run by municipalities, yet the projects have potential economic consequences for regions and the state.

When comparing social investment projects within the SIB setup (which use payment-by-results contracts) to local or regional projects without a SIB setup, we observe that local projects without a SIB setup have more focus on learning than on reaching specific goals.

Another observation is that the evaluation methods tend to be more sophisticated in SIB projects, e.g., using quantitative effect measurement with control groups. This, however, also requires much more rigorous data collection during the project.

Recruitment challenges are present in many social investment projects, since a prespecified number of participants has often been agreed upon. However, challenges related to recruitment appear to be less severe in non-SIB projects compared to SIBs. Unlike SIBs, internal local social investment projects lack stringent contracts with obligations to external investors that are partially contingent on recruiting a specific number of participants.

Recommendations

Whether a local authority should initiate a social investment of the SIB type or the local investment type depends on the specific setting.

If a sufficiently large and well-defined target group for the social intervention can be identified, and if data collection and administration allow for a rigorous effect measurement, then a SIB-type project is a good idea. This will probably attract external investors, of which quite a few exist across the Nordic region.

However, if there is uncertainty about the composition and size of the target, and the focus is on learning rather than on effect measurement and follow-up, the project should instead be of the local investment type. Such a project can still be a social investment project if the focus is on long-term changes and the economic consequences thereof.

At the national level, overcoming the potential coordination problem between those who benefit from a successful intervention and those who pay for the results could be achieved by setting up national outcome funds. Such funds could then be utilized in specific investment settings where a significant part of the results falls to the central government, for instance. This will increase local incentives to start social investment projects that will not necessarily result in a surplus for the local authorities alone, but would result in a collective benefit when measured across all parties involved in the project.

Discussion

To obtain a comprehensive understanding of social investment in the Nordic region, we employed a diverse set of data collection methods, combining desk research to gather a wide array of materials with insights gathered from meetings with experts and stakeholders. Nevertheless, this method has its limitations. Notably, the publications we identified may not include all available knowledge in this domain, as our online search might have missed some relevant literature and experiences related to social investment.

Furthermore, our inability to read materials in Finnish and Icelandic could have led to the oversight of valuable information, despite our proactive efforts to address this by engaging in discussions with representatives from these countries. Lastly, the information we have gathered should be seen as a snapshot of the knowledge available up to June 2023, recognizing that new material is continuously emerging in the field of social investment.

Additionally, the number of identified social investment projects in the Nordic region is not large. This can potentially limit the generalisability of conclusions as more firm conclusions could be made on the basis of a larger data material. However, the collected information comes from different countries and different contexts. This diversity ensures that the material covers as many scenarios for social investment as possible, enhancing the generalisability of our findings.



PART 2

Documentation

5 Lists of completed and ongoing SIB projects

Table 5.1 Completed SIBs in Finland

	Occupational Well-being SIB (Finland)	Integration SIB (Finland)
Objectives	Promoting occup. well-being in public sector & strengthening work capacity	Increase employment among refugees (& immigrants)
Commissioner	Four public sector organizations (employers); different sectors	Ministry of Economic Affairs & Employment
Target group	1,600 employees	2,500 refugees (& immigrants)
Bonus payment criterion	Reduced number of sickness absence days <i>(org. spec. historic control group)</i>	Increase in tax collections & reduction in unemployment benefits <i>(RCT)</i>
Project administrator	Fund manager & Enterprise advisory <i>(FIM Impact Investing - Epiqus)</i>	Fund manager & Enterprise advisory <i>(FIM Impact Investing - Epiqus)</i>
Service providers	Coalition of three providers & commissioners	Several service providers, private & non-profit sectors
Intervention	Personal fitness guidance, conflict resolution, supervisor training, joint development days for the whole staff	Work-life oriented training (vocational, language, general career coaching)
Dates of implementation	2015-2020 (3 years, staggered)	2017-2019 (3 years monitoring)
Investors	2 institutional, 1 private	European Investment Fund (10 m EUR; principal inv.) & others
Capital raised	0.6 m EUR	14.2 m EUR

Table 5.2 Ongoing SIBs in Finland

	Employment SIB	Children (Welfare) SIB I	Children (Welfare) SIB II
Objectives	Permanent employment of long-term unemployed jobseekers	Reduce social exclusion of children/young people/families with children	Promote social integration of young people: reduce costs of corrective services & unemployment benefits
Commissioner	Ministry of Economic Affairs and Employment	Municipalities of Helsinki, Hämeenlinna, Kemiönsaari, Lohja, Vantaa	Cities of Jyväskylä, Karkkila, Tampere, Vihti
Target group	4,500 long-term unemployed	At-risk families with children (vary by municipality)	Educationally/socially at-risk youngsters (vary by municipality)
Bonus payment criterion	Gross earnings of the unemployed jobseekers	Reduction in service costs (open care, substitute care)	Completion of upper secondary education and/or employment (vary by municipality)
Project administrator	FIM Impact Investing Ltd (formerly Epiqus Oy)	FIM Pääomarahastot Oy	FIM Pääomarahastot Oy
Service providers	Companies from the training & recruitment sector	Central Union for Child Welfare; + other service providers	Central Union for Child Welfare; + other service providers
Intervention		Different interventions, vary by municipality and target group	Early-stage support for families with children who are in danger of youth exclusion
Dates of implementation	2020-2024 (option 2025)	2019, varying length (6-12 years)	2020-2031
Investors	City of Espoo, Sitra, (trade) unions	City of Espoo, Tradeka + others	City of Espoo, Tradeka
Capital raised	10 m EUR	8 m EUR	5 m EUR

Note: Under preparation: Life-long functional capacity through proactive measures (Elderly SIB), Type 2 diabetes prevention SIB.

Table 5.3 Completed SIBs in Sweden

Children in public care SIB	
Objectives	Reduce the risk of future care placements & improve school results for children in public care
Commissioner	Municipality of Norrköping
Target group	60 children and youths (7-18 years) placed in public care
Bonus payment criterion	Lower cost of social services provided Improved school outcomes
Project administrator	Swedish Association of Local Authorities & Regions Management consulting firm
Service providers	Commissioner Private provider (education service)
Intervention	Multidisciplinary team provides monitoring & support Individually adapted school support & tutoring
Dates of implementation	2016-2019
Investors	Private philanthropic investment company
Capital raised	1 m EUR

Table 5.4 Completed SIBs in Denmark

	Pilot investment: Jobs for mentally vulnerable citizens	Pilot investment: Jobs for citizens with autism diagnosis
Objectives	The goal is to assist mentally vulnerable unemployed individuals in pursuing education or gaining employment.	The objective is to facilitate stable employment for individuals with an autism diagnosis.
Commissioner	Municipality of Aalborg	Municipality of Ballerup
Target group	120 mentally vulnerable unemployed people	10 unemployed adults diagnosed with autism
Bonus payment criterion	Number of participants reaching economic self-sufficiency	Number of participants reaching economic self-sufficiency
Project administrator		
Service providers	FOKUS Folkeoplysning	Specialisterne
Intervention	Citizens are provided with the opportunity to explore various industries as part of their clarification and skills development. This can be facilitated through FOKUS Folkeoplysning's companies.	Specialisterne develops customized solutions and courses to enhance the likelihood of employment.
Dates of implementation	2018-2020	2018-2019 (original plan 2018-2021)
Investors	Den Sociale Kapitalfond, Det Obelske Familiefond	Den Sociale Kapitalfond
Capital raised	4 m DKK	

Table 5.5 Ongoing SIBs in Denmark, part I

	Family treatment for vulnerable immigrant families	Stress treatment	Combatting homelessness	Housing First for homeless people	Education of children in out-of-home care and vulnerable children	Prevention of late-stage complications of type 2 diabetes
Objectives	Improve well-being of families to ensure necessary stability in children's upbringing, thereby preventing the need for social interventions or out-of-home placements.	Treating the participants' stress disorder and thereby helping them return to the labour market	To ensure a stable living situation for the homeless and vulnerable citizens through a Housing-First effort.	To help homeless youths achieve a stable housing situation and stable education/employment	To support the learning of the most vulnerable children in care through a long-term and holistic effort, with the aim of increasing their retention and completion rates in primary school and youth education.	To reduce social inequality in health and enhance well-being among citizens with diabetes, the focus is on preventing vulnerable citizens with type 2 diabetes from developing late complications due to their condition.
Commissioner	Municipality of Vejle	Municipality of Rudersdal	Municipality of Ikast-Brande	Municipality of Aarhus	Municipality of Aarhus	Municipality of Aarhus
Target group	25 ethnic minority families	84 citizens experiencing symptoms of stress with a minimum PSS (Perceived Stress Scale) score of 18 are eligible to participate. Participants are referred either through their doctor or the employment centre.	20 homeless people	28 homeless youths	80 at risk children between 9 and 13 years of age	450 vulnerable citizens with type 2 diabetes.

	Family treatment for vulnerable immigrant families	Stress treatment	Combatting homelessness	Housing First for homeless people	Education of children in out-of-home care and vulnerable children	Prevention of late-stage complications of type 2 diabetes
Bonus payment criterion	(1) less intervention from municipality (2) Less school absence (3) lower risk of out of home placement	(1) 85 % of the participants complete the course and state that they are "satisfied" or "very satisfied" (2) 12 months after the end of the course, 60% of the citizens no longer have severe stress measured via the PSS scale	(1) 80 % of screened citizens (16 out of 20 recruited) complete the 9-month course with full participation. (2) 80 % of citizens with significant hostel use (>30 days over 6 months before the initiative) spend less than 6 days in a hostel per 6 th month during the 3-year follow-up period. (3) 60 % of citizens without significant hostel use successfully reduce their housing benefit consumption during the 3-year follow-up period.	(1) Repayment is based on progress in citizens' action plans after the effort, leading to increased well-being and self-mastery. (2) Stable housing and independent skill development are achieved by the young person. (3) Success is defined by the young person entering education or employment and other steps such as flexible work or early retirement are considered as well. Maintenance benefits are not received, except for early retirement in the previous six months.	(1) 80 % participation in mentoring and learning camps in the first year. (2) 70 % active participation in the programme in years 2 and 3. (3) 55 % overall participation in the programme. (4) 69 % pass the primary school leaving examination (FSA) (5) 52 % start a youth education 3 years after completing the.	(1) At least 36 % of referred citizens complete the programme with follow-up measurements at 12, 24 and 36 months. (2) At least 31 % of programme completers achieve a minimum 8.5 % reduction in long-term blood sugar (HbA1c) at 12, 24 and 36 months. (3) Completers achieve an average 8.5 % reduction in long-term blood sugar (HbA1c) at 36 months.
Project administrator						

	Family treatment for vulnerable immigrant families	Stress treatment	Combatting homelessness	Housing First for homeless people	Education of children in out-of-home care and vulnerable children	Prevention of late-stage complications of type 2 diabetes
Service providers	Memox (Social Udvilingscenter SUS for evaluation)	Fonden Mental Sundhed (CBS for evaluation)		Municipality of Roskilde	Lær for Livet	Sundhed og Om-sorg i Aarhus Kom-mune
Intervention		(1) general family treatment 2-4 hours per week (2) intensive family treatment 15-20 hours per week	Group-based stress treatment course based on the concept 'Åben og Rolig' and individual sessions with a trained psychologist	Housing First/Critical Time Invention (CTI)	Individual Placement and Support (IPS) and Critical Time Intervention (CTI)	Learning camps, a mentoring scheme facilitated by volunteers and bridges to integrate programme outcomes into the children's daily lives.
Dates of implementation		2022-2024	2021-2023	2022-2027	2022-2027	2022-2028
Investors		The Social Investment Fund	The Social Investment Fund	The Social Investment Fund	The Social Investment Fund	The Social Investment Fund, Rådet for Sociale Investeringer in the municipality of Aarhus, Lauritzen Fonden
Capital raised		Undisclosed	980,000 DKK	Undisclosed	Undisclosed	17.3 m DKK

	Intervention targeted towards the most vulnerable young homeless individuals	Early and intensive employment-oriented intervention for young homeless individuals	Treatment for families affected by violence	Specialized assistance for children and youth with parents who have substance abuse issues	Citizens with mental disorders in employment	Lasting employment for the unemployed
Objectives	Reduce homelessness among highly vulnerable young individuals by offering comprehensive support and development initiatives based on the Housing-First approach.	Reduce youth homelessness by providing young individuals who are either experiencing homelessness or at acute risk of it access to a comprehensive support and development intervention.	Stop and prevent occurrences of intimate partner violence and reduce the consequences that result from it.	Enhance the well-being of young individuals and their connection to education and the job market.	Assist unemployed citizens with mental health challenges in finding employment.	Get unemployed citizens in long-term regular employment in the social and healthcare sector
Commissioner	Municipality of Aarhus	Municipality of Aarhus	Municipality of Aarhus	Municipality of Brøndby	Municipality of Norddjurs	Municipality of Frederiksberg
Target group	<ol style="list-style-type: none"> 1. Under 30 years old 2. No fixed abode (e.g., living on the streets or in shelters) 3. Limited or no involvement in employment or education activities 4. Multiple severe issues that the young person finds difficult to handle independently, such as substance abuse and/or mental 	<ol style="list-style-type: none"> 1. Aged under 30 2. No stable housing or at acute risk of homelessness 3. Limited or no involvement in employment or education activities 4. One or more severe issues that are challenging for the young person to handle independently, such as substance abuse and/or mental health challenges, financial 	25 families affected by violence residing in Aarhus Municipality	120 youth aged 14-35 from families with substance abuse issues residing in Brøndby Municipality.	Individuals on sick leave with mental disorders	50 unemployed citizens

	Intervention targeted towards the most vulnerable young homeless individuals	Early and intensive employment-oriented intervention for young homeless individuals	Treatment for families affected by violence	Specialized assistance for children and youth with parents who have substance abuse issues	Citizens with mental disorders in employment	Lasting employment for the unemployed
	health challenges, financial debt, weak social networks, etc. 5. Willing to engage in social communities in the future, collaborate with a housing support worker and actively pursue their potential to establish connections to education or employment in the long term.	debt, weak social networks, etc. 5. Willing to engage in social communities and workplace environments, collaborate with a housing support worker and mentor and actively pursue their potential to establish employment connections. <i>Ca. 15 individuals/year</i>				
Bonus payment criterion	No use of shelter In education or employment Enhanced self-mastery	No use of shelter In education or employment Enhanced self-mastery	Families report that the violence has ceased. Absence of emergency room visits and hospital contacts due to violence. No charges or convictions for intimate partner violence. No stays at crisis shelters.	Improved well-being More initiate and/or maintain engagement in education and employment.	40% of the participating citizens secure regular jobs and become self-sufficient.	Get unemployed citizens in long-term regular employment in the social and healthcare sector

	Intervention targeted towards the most vulnerable young homeless individuals	Early and intensive employment-oriented intervention for young homeless individuals	Treatment for families affected by violence	Specialized assistance for children and youth with parents who have substance abuse issues	Citizens with mental disorders in employment	Lasting employment for the unemployed
			No utilization of other family treatment services in the municipality. A 60-month reduction in families' overall reliance on municipal services following the initiation of the intervention.			
Project administrator						
Service providers	Center for Mestring, Municipality Aarhus	Municipality Aarhus	Dialogue Against Violence, Municipality Aarhus	TUBA	Specialist clinic Empano, consultancy firm AS3, PwC, SundInvest	Marselisborg - Center for Development, Competence and Knowledge
Intervention	Affordable accommodation in an environment that provides young people access to communities. Intensive, individually tailored and flexible social support inspired by the ACT method.	Affordable accommodation in an environment that provides young people access to communities. Intensive, individually tailored social support based on the CTI method.	The intervention involves specialized, family-oriented psychological treatment for perpetrators of violence, their victims and children affected by the violence.	Individual therapy and group sessions to improve well-being and coping abilities, along with a reduction in symptoms of anxiety, PTSD and depression	Assessment by specialists in mental health issues from Empano. Participation in an activation and development programme designed to effectively address individual	Each individual is assigned their own career advisor. Create a career plan together Quick specific job offers Citizens are followed for 24 months

	Intervention targeted towards the most vulnerable young homeless individuals	Early and intensive employment-oriented intervention for young homeless individuals	Treatment for families affected by violence	Specialized assistance for children and youth with parents who have substance abuse issues	Citizens with mental disorders in employment	Lasting employment for the unemployed
	A community-driven initiative rooted in the local environment.	An employment-oriented effort to facilitate integration into the job market, including participation in a workplace community. A community-driven initiative rooted in the housing and/or local environment.			challenges and boost motivation for change. Matching with a job that suits them individually.	
Date of implementation	2021-2024 (Payback: 2026)	2021-2024 (Payback: 2025)	2021-24	2021-24	2022-2025	2022-2024
Investors	The Social Investment Fund, the Council for Social Investments in Aarhus Municipality, Bikuben Foundation	The Social Investment Fund, the Council for Social Investments in Aarhus Municipality, Bikuben Foundation	The Social Investment Fund, the Council for Social Investments in Aarhus Municipality	The Social Investment Fund	Den Sociale Kapitalfond EFFEKT	Den Sociale Kapitalfond EFFEKT
Capital raised	16 m DKK	7 m DKK	4.8 m DKK	3.2 m DKK		

Table 5.6 Ongoing SIBs in Denmark, part II

	Employment program for citizens in designated housing areas	Program for persons receiving sickness benefit	A Fresh Start for Many	Long-term attachment to the labour market for citizens on sick leave or job rehabilitation programs	Long-term attachment to the labour market for citizens on sick leave or job rehabilitation programs
Objectives	The primary goal of the project is to assist residents living in housing areas covered by the comprehensive housing and social development plan. These residents, facing complex challenges, are currently unemployed. The objective is to effectively address their issues and help them achieve full or partial self-sufficiency.	Develop the sick leave and job clarification area by getting citizens on sick leave or in job clarification programs back to work and ensuring their long-term attachment to the labour market.	The project aims to assist a group of citizens facing challenges in transitioning from unemployment to employment, particularly those residing in housing areas covered by the housing social master plan.	The overall goal of the project is to get citizens who are either on sick leave or in job rehabilitation programs back to work and ensure their long-term attachment to the labour market thereafter. The project should also demonstrate that an intensive effort over a total of two years per citizen, with coherence and a consistent plan between the citizen's sick leave intervention, subsequent job placement and follow-up intervention, will provide a foundation for significantly higher results and citizen satisfaction.	The overall goal of the project is to get citizens who are either on sick leave or in job rehabilitation programs back to work and ensure their long-term attachment to the labour market thereafter. The project should also demonstrate that an intensive effort over a total of two years per citizen, with coherence and a consistent plan between the citizen's sick leave intervention, subsequent job placement and follow-up intervention, will provide a foundation for significantly higher results and citizen satisfaction.
Commissioner	Municipality of Kolding	Municipality of Holbæk	Municipality of Randers	Municipality of Hillerød	Municipality of Hedensted
Target group	70 citizens who are currently unemployed and residing in the designated housing areas	150 citizens who are on sick leave or in job clarification programs	80 citizens residing in housing areas covered by the housing social master plan	150 who are currently in job rehabilitation programs due to sickness	150 who are currently in job rehabilitation programs due to sickness

	Employment program for citizens in designated housing areas	Program for persons receiving sickness benefit	A Fresh Start for Many	Long-term attachment to the labour market for citizens on sick leave or job rehabilitation programs	Long-term attachment to the labour market for citizens on sick leave or job rehabilitation programs
Bonus payment criterion	Employment for included participants		(i) 30 % of cash welfare recipients achieve regular employment, including regular hours in part-time jobs and flex-jobs. (ii) 50 % of the project's unemployment benefit recipients achieve regular employment and become self-sufficient.	Only payment for months in which one or more of the 150 participants are self-sufficient	Undisclosed
Project administrator	Municipality of Kolding	Municipality of Holbæk	Municipality of Randers	Municipality of Hillerød	Municipality of Hedensted
Service providers	Marselisborg	Marselisborg	Marselisborg and Bysekretariatet	Marselisborg	Marselisborg
Intervention	<p>The intervention has three phases:</p> <p>(i) Initial intervention phase, which includes individual conversations with citizens, support for personal progress, job search training and group instruction.</p> <p>(ii) Outreach and business-oriented phase, supporting the match between citizens and businesses/education. This includes job searches, building business networks, scheduling job interviews,</p>	The intervention includes a comprehensive employment effort that combines interdisciplinary support with job assistance tailored to individual citizens' needs and goals. It also involves a learning effort aimed at municipal employees handling cases in the sick leave and job clarification process.	Interventions include personal job counselling, coaching sessions, competency identification, addressing issues like pain, stress, anxiety and depression, help with daily life mastery, job searching and identifying job opportunities. Also, participants are provided intensive follow-up and support when they are in internships and jobs.	<p>Participants are given necessary support and assistance to help them return to their current job or find a new job that accommodates their health considerations.</p> <p>Citizens are assigned a job coach for two years to guide them through this process.</p>	<p>Participants are given necessary support and assistance to help them return to their current job or find a new job that accommodates their health considerations.</p> <p>Citizens are assigned a job coach for two years to guide them through this process.</p> <p>Focus on in-depth and long-term learning from the project</p>

	Employment program for citizens in designated housing areas	Program for persons receiving sickness benefit	A Fresh Start for Many	Long-term attachment to the labour market for citizens on sick leave or job rehabilitation programs	Long-term attachment to the labour market for citizens on sick leave or job rehabilitation programs
	<p>supporting the establishment of business internships, wage subsidies and paid hours.</p> <p>(iii) Job support phase, which aims to maintain employment or education in the long term, includes regular follow-up meetings with citizens and potential employers.</p>				
Dates of implementation	July 2021-July 2024	December 2022-June 2025	February 2023-July 2025	September 2022-August 2024	November 2022-March 2025
Investors	Den Sociale Kapitalfond Effekt	Den Sociale Kapitalfond Effekt	Den Sociale Kapitalfond Effekt and Landsbyggefonden	Den Sociale Kapitalfond Effekt	Den Sociale Kapitalfond Effekt
Capital raised	Undisclosed	Undisclosed	DKK 6.3 million	Undisclosed	Undisclosed

Table 5.7 Ongoing SIBs in Denmark, part III

	Early and intensive employment-focused efforts regarding young homeless individuals	Refugees in employment	Sick citizens with work-related injuries
Objectives	Reduce homelessness among young people	<ol style="list-style-type: none"> 1. Rethink the inclusion of vulnerable groups in the labour market through a specific employment initiative that results in increased employment compared to a standard approach. 2. Develop a social investment model for an employment initiative targeting disadvantaged individuals with non-Western backgrounds. 	Assist citizens who have been sick-listed due to work-related injuries in effectively addressing their challenges with the aim of achieving recovery and self-sufficiency.
Commissioner	Municipality of Aarhus	Municipalities of Viborg & Herning	Municipality of Norddjurs
Target group	The most vulnerable young homeless individuals in Aarhus Municipality, who reside in shelters, and young homeless individuals, often referred to as 'sofa surfers,' whose challenges extend beyond the lack of housing. Ca. 15 young individuals per year	Individuals with non-Western backgrounds and long-term unemployment. Ca. 50 unemployed	Sick-listed unemployed individuals with mental health challenges. (35-50 individuals)
Bonus payment criterion	<p>Stable housing situation</p> <p>Greater connection to either education or the labour market.</p> <p>Increased well-being, motivation and ability to master one's own life.</p>	<p>2 months after the end of the project period:</p> <ul style="list-style-type: none"> - 30 % of the participants are self-sufficient (in regular employment/education). - An additional 20 % of the participants have paid hours in regular employment. 	<p>"The goals are as follows:</p> <ul style="list-style-type: none"> - 50 % of the citizens are declared fit for employment within 6 months. - 35 % of the citizens enter regular employment or become self-sufficient within 12 months. - 80 % of the citizens experience higher well-being at the program's conclusion compared to their condition at program admission. <p>The performance-based payment is determined based on the reduced welfare costs</p>

	Early and intensive employment-focused efforts regarding young homeless individuals	Refugees in employment	Sick citizens with work-related injuries
			resulting from the citizens' attachment to the labour market.
Project administrator			
Service providers		DRC Danish Refugee Council	SundInvest (AS3)
Intervention	<p>The effort is based on the principles of the Housing First approach and consists of four interconnected components:</p> <ol style="list-style-type: none"> 1. Housing: Affordable housing in an environment that provides young people access to communities. 2. Support: Intensive, individually tailored social support based on the CTI (Critical time intervention) method. 3. Employment: An employment-focused effort to ensure connection to the labour market, including participation in a workplace community. 4. Community: A community-based effort anchored in the housing and/or local environment. 	<p>The program is based on methods from DRC's Business Training program, combined with the Individual Placement and Support (IPS) method.</p>	<p>The intervention consists of the development and delivery of comprehensive development programs, divided into four interconnected phases:</p> <ul style="list-style-type: none"> - Assessment: Rapid and effective clarification of the citizen's situation and options for action, involving a broad spectrum of health and social expertise. - Activation and Development Programs: Comprehensive activation and development programs that effectively address individual challenges and increase motivation for change. - Job Matching: Targeted employment initiatives based on a combination of job and career clarification, as well as proactive contact with businesses. - Follow-up: Ongoing dialogue and supplementary interventions targeted at citizens who have returned to the job market after a period of unemployment or illness.
Date of implementation	2021-2024	2020-2023	2022-2025

	Early and intensive employment-focused efforts regarding young homeless individuals	Refugees in employment	Sick citizens with work-related injuries
Investors	The Social Investment Fund, Bikuben Foundation, the Council for Social Investments in Aarhus Municipality	Poul Due Jensen Foundation	Den Sociale Kapitalfond EFFEKT
Capital raised	7 m DKK	Undisclosed	Undisclosed

Table 5.8 Ongoing SIBs in Norway

	Trygg af natur SIB	Back in the ring SIB
Objectives	Increase self-mastery (stress, social relations) in elementary school pupils (SR); lower drop-out from upper secondary school (LR)	Prevention of recidivism
Commissioner	Lier Municipality	Municipalities of Larvik, Sandefjord, Tønsberg, Færder
Target group	Pupils in 8 th grade	20-30 motivated inmates, 18-40 years old; recruitment among inmates, intervention after release
Bonus payment criterion	SR: change of 3 points in SDQ survey 6 months after intervention (compared to before). LR: decrease in drop-out rate by 20 pp. compared to expected	Reduced recidivism one year after release
Project administrator		
Service providers	Trygg av natur	Back in the ring
Intervention	Nature school & Nature's day	Self-mastery: Yoga, physical training, work training, education
Dates of implementation	2019-2025	2021-23
Investors	Ferd Social Entrepreneurs	Ferd Social Entrepreneurs
Capital raised	Unknown	Unknown

6 Lists of examples of local social investment projects

Table 6.1 Examples of local social investment projects in Sweden

Name of intervention	Purpose/content	Period	Municipality
Work Environment and Health in Focus <i>Arbetsmiljö och Hälsa i Fokus</i>	Prevent and reduce short-term sick leave and to support a more health-promoting organization.	2018-2021	Botkyrka
Work Environment and Health in Focus <i>Arbetsmiljö och Hälsa i Fokus</i>	Prevent and reduce short-term sick leave and to support a more health-promoting organization.	2018-2021	Örnsköldsvik
Skolfam	Personalized support provided to enhance the likelihood of academic success in primary education (grades 1-9) and facilitate access to upper secondary school for children (aged 7-11) placed in out-of-home care.	2011-2014	Norrköping
All Children in School <i>Alla barn i skolan (ABIS)</i>	Evaluation to identify the underlying reasons for absenteeism among children and youth (aged 7-16) who are regularly absent from school. Based on the evaluation findings, appropriate support was provided to address the specific challenges faced by each individual to reduce absenteeism and enhance their overall school performance, thereby reducing the risk of social exclusion.	2012-2015	Norrköping
Service Trainee	One-year trainee position in the municipality to enhance job prospects in the regular labour market for individuals (26 years and above) reliant on financial assistance, who speak one of the municipality's primary immigrant languages.	2012	Norrköping
NP-centre <i>Resurs- kompetens- och utvecklingscenter för ungdomar och unga vuxna med neuro-psykiatrisk funktionsnedsättning/-problematik (NP resurscenter)</i>	Temporary housing, school support and family assistance aimed at promoting the individual's daily functioning and well-being. Targeting youth (aged 13-23) with neuropsychiatric disabilities.	2013-2014	Norrköping

Name of intervention	Purpose/content	Period	Municipality
Solid return <i>Solid återkomst</i>	Aftercare with a contact person was implemented to reduce the risk of relapse, shorten the duration of placement and facilitate the reintegration of individuals into education, employment, or internships. This initiative primarily targeted youth aged 14-20 who had a history of drug addiction and/or criminal behaviour following their institutional treatment.	2013-2015/2016	Norrköping
Drop In	Targeting youth (aged 16-19) not engaged in education, employment, or training (NEET). Engaging outreach and coaching efforts to locate and inspire NEETs to re-enter education or establish contact with employment services.	2016-2018	Norrköping
Early Intervention - a development project for the youngest children <i>Tidig insats- ett utvecklingsprojekt för de yngsta barnen</i>	<i>Early intervention</i> was a collaborative project between the social services and education departments. Klockaretorget Family Center served as the platform for the project, which focused on promoting and preventing issues for families with children aged 0-3 years. The purpose of Early Intervention was twofold: to increase knowledge about effective methods and to establish structured support for parents of young children. The overall goal was to create sustainable parental support throughout Norrköping.	2016-2020	Norrköping
Skolfam	Skolfam is a preventive working model that involves collaboration between the school and social services, with the aim of supporting foster children to achieve academic success in primary school. This investment aimed to help reduce the risk of social exclusion and supports students, schools and foster families.	2016-2018	Örebro
NP cooperation <i>NP samverkan</i>	Implementing targeted interventions aimed at enhancing the individual's ability to successfully navigate and complete primary education (grades 1-9) and upper secondary education (grades 10-12), as well as promoting their functional skills in daily life. This intervention specifically targeted youth (aged 15-24) with neuropsychiatric disabilities.	2015-2017	Örebro
Cooperation Sign Language <i>Samverkan för tecken-språkiga</i>	Developing personalized action plans to ensure appropriate financial and non-financial support for individuals who primarily use sign language, have other limitations and are not engaged in the labour market.	2014-2017	Örebro
Cross-Competence Team <i>Team Oxhagen</i>	Promoting a shift in attitudes towards the acceptance of disability support in educational institutions, social service centres and other relevant settings for parents and children residing in areas facing significant social inclusion challenges.	2015-2017	Örebro
Special Pedagogical Skill Development	Implementing specialized training for teachers to enhance their ability to identify early signs of special needs in children and provide them with the necessary support. This initiative targeted children	2015-2017	Örebro

Name of intervention	Purpose/content	Period	Municipality
<i>Specialpedagogisk kompetensutveckling</i>	attending kindergartens and pre-schools situated in areas with pronounced social inclusion challenges.		
El Sistema	Implementing music education programmes to enhance children's social inclusion, concentration and cooperation skills, leading to improved academic performance. This initiative targeted children aged 5-7 residing in areas facing significant social inclusion challenges.	2015-2017	Örebro
Bryggan - from destructive absence to goal fulfilment <i>Bryggan – från destruktiv frånvaro till måluppfyllelse</i>	Comprehensive support for students with disruptive behaviour and long-term school absence.	2017-2020	Örebro
Bridge builders in Vivalla and Baronbackarna <i>Brobyggare i Vivalla och Baronbackarna</i>	Offered the Roma and Somali community an education at Södertörn University with the aim of becoming culturally sensitive bridge builders.	2016-2018	Örebro
The impact of outdoor education on learning <i>Utomhuspedagogikens inverkan på lärande</i>	Initiative using outdoor education and experiential learning to enable teaching in a different way than the traditional lecture-style teaching, creating opportunities for language-challenged students (newly arrived immigrants and refugees) to acquire knowledge in the field of natural sciences.	2016-2018	Örebro
Back to school <i>Tillbaka till skolan</i>	The project aimed to address the issue of 'home stayers and corridor wanderers'. Purpose 1: The main objective was to reintegrate home-staying students into school. This involved targeted interventions specifically designed for students who were absent from school. The intervention approach was more intensive, flexible and mobile compared to the standard services provided by the Student Health Services. It allowed for several hours of individualized support per week, delivered both at the students' homes and at school. Purpose 2: Through acquiring knowledge and developing methods learning to avoid having students who do not participate in the education and become 'home stayers' within the Umeå Preschool and Primary School.	2011-2014	Umeå
The puzzle piece <i>Pusselbiten</i>	Students with neuropsychiatric disabilities starting high school often do not receive sufficient support in developing their skills through environmental adjustments and teaching methods. Pusselbiten consisted of two main components. One was a comprehensive competence development initiative for	2012-2013	Umeå

Name of intervention	Purpose/content	Period	Municipality
	all staff within the high school. The other involved assigning specific coaches to support identified students with suspected or confirmed neurodivergent challenges.		
Bredsand Bridge Builders <i>Bredsands Brobyggare</i>	The Bredsands Brobyggare project aimed to support academic success for Somali students in the Swedish school system, fostering integration and reducing social exclusion. Two bridge builders, fluent in both Swedish and Somali languages and cultures, facilitated stronger collaboration between the school and preschool in Bredsand and Somali parents. By eliminating the need for interpreters, the bridge builders enhanced communication and developed personal relationships with parents, empowering them to support their children's education. The project included after-school tuition sessions where bridge builders, educators, Somali children and parents worked together to review schoolwork and continue learning at home.	2016-2019	Sundsvalls
Full-time mentor <i>Heltidsmentor</i>	The project aimed to improve academic outcomes and the working environment in the school. A teaching team and three full-time mentors were assigned to support the students while subject teachers focused on academic content. The project addressed the increasing need for immediate support and parental demand for enhanced school assistance.	2018-2021	Sundsvalls

Table 6.2 Examples of local social investment projects in Denmark

Name of intervention	Purpose/content	Period	Municipality
The Herning Model <i>Herningmodellen</i>	Ensure a targeted, comprehensive and long-term intervention for vulnerable children and youth to increase the completion rate in secondary education and increase inclusion in schools.	2016	Herning
Early Intervention for Psychologically Vulnerable Children and Youth <i>Tidlig Indsats for Psykisk Sårbare børn og unge</i>	Enhance the 'outreach and preventive efforts' aimed at this group to prevent a negative development in their life situations to promote a scenario where the youth eventually require less intrusive interventions and measures.	2017-2019	Ishøj
The Good Everyday Life <i>Den Gode Hverdag</i>	The project aimed to provide citizens with the opportunity to regain lost functional ability, thereby reducing the need for interventions and improving their quality of life. The project was based on offering citizens with newly emerged support needs a short and time-limited everyday rehabilitation programme, coordinated by a care coordinator, in close collaboration with relevant professionals and external partners such as volunteers and organizations.	2018-2020	Ishøj
Investment in job rehabilitation programmes <i>Investering i jobafklaringsforløb</i>	Specific job-focused intervention for individuals in job rehabilitation programmes: Company consultant involved from the beginning. Employer-oriented efforts as early as possible. Active engagement, no one is passive. Regular job-focused follow-up. Cross-functional team.	2019-2022	Hedensted
(Individual-focused) Smoking cessation <i>(Borgerrettet) Rygestop</i>	Group or individual-based smoking cessation programmes, which include the following: <ul style="list-style-type: none"> • Education about withdrawal symptoms, nicotine addiction, weight management, health benefits, etc. • Sharing experiences with others who have quit smoking • Guidance on how to move one's thoughts from tobacco and how to cope with cravings • Support from the group 	2019-2023	Hedensted
Workplace intervention <i>Virksomhedsindsats</i>	A company-focused intervention aimed at both facilitating the employment of refugees and immigrants and providing support and services to the specific company in terms of introduction, guidance, follow-up and sustaining the individual development. <ol style="list-style-type: none"> 1. Information about introduction programmes for companies 	2020-2023	Hedensted

Name of intervention	Purpose/content	Period	Municipality
	<ul style="list-style-type: none"> 2. Job and internship bank 3. Personalized mediation support 4. Language school 		
Your path to employment <i>Din vej i job</i>	<p>SIND Business and the evidence-based principles and tools of the IPS method.</p> <ul style="list-style-type: none"> 1. Individual Placement and Support counsellor supports 16-18 individuals and collaborates with companies. 2. Group sessions where participants build networks with each other. 3. Collaboration with Regional Psychiatry and the Psychiatry House. 4. Offer of participation in health-promoting activities. 5. Involvement of relatives and engagement of volunteers in the intervention. 6. Aftercare for a period to maintain participation in education or employment. 	2023-2024	Aarhus
More skilled hands in Aarhus <i>Flere kloge hænder i Aarhus</i>	The project includes a digital well-being initiative aimed at at-risk youth in vocational education. The goal of the project is to increase well-being, retention and completion rates among young people who start their education at SOSU East Jutland. This is to contribute to Aarhus Municipality's access to skilled labour in the major welfare sectors.	2023-2026	Aarhus
Short-cut <i>Genvejen</i>	Preventive interventions for youth consisting of: Counselling sessions with the young people and their parents; Individual counselling sessions; Group counselling sessions; Parent groups and networking cafés. The programmes are facilitated by a psychologist and a staff member with experience in counselling.	2023-2024	Ringsted
Home Start	Home Start provides support to families with at least one preschool-aged child who are facing challenges that threaten to disrupt their everyday lives. Families with young children are offered regular support, practical assistance and friendly companionship from volunteers, although no financial aid is provided. The support primarily takes place in the family's home and aims to prevent crises and breakdowns by intervening early. The volunteer visits the family for a couple of hours once a week for as long as the family needs it.	2021-2024	Ringsted
The Ringsted Model <i>Ringsted modellen</i>	Two interventions focused on preventive and early intervention in working with vulnerable children and youth. The purpose was to ensure that the child/youth remained in as normal a situation as possible, with solutions found close to the child/youth's natural environment, thereby avoiding out-of-home placements.	2020-2022	Ringsted

Name of intervention	Purpose/content	Period	Municipality
	<p>1. Establishment of a Children and Youth Centre under the auspices of the Family House. The target group was vulnerable children and youth aged 5-17.</p> <p>2. Strengthening of interprofessional coordination and collaboration in working with vulnerable children, youth and their families.</p>		
<p>Intervention for school children with anxiety issues <i>Tilbud til skolebørn med angstproblematik</i></p>	<p>The project involves the establishment of specially tailored individual Cool Kids/Chilled programmes for children and adolescents (8-16 years old) with severe anxiety that prevents them from participating in group sessions. The Cool Kids programme is a scientifically based and effective anxiety treatment programme developed in Australia and translated into Danish at the Anxiety Clinic for Children and Adolescents at Aarhus University.</p>	2020-2023	Ringsted
<p>Youth in Front <i>Projekt - Unge i Front</i></p>	<p>The project was a collaboration between DGI (Danish Gymnastics and Sports Associations) and Ringsted Municipality, targeting young people aged 18-29 who had been unemployed for 1 to 3 years and were not ready to start education within the next year. The young people participated in voluntary initiatives within local associations in Ringsted Municipality over the 3-year project period, divided into five programmes. The initiative included coach training, a 3-month internship, participation in a youth group and a bridge-builder mentor. At the end of the programme, a marketplace event was held for diploma presentations, inviting new associations and local businesses to explore internships and opportunities for the participants. The initiative aimed to enhance social skills, abilities and self-esteem while transitioning participants away from public support towards regular employment or education.</p>	2020-2021	Ringsted

7 List of contributing organizations

We conducted bilateral meetings, both online and in person, with delegates from the following organizations:

- The Social Investment Fund (*Den Sociale Investeringsfond (DSI)*), Denmark
- Den Sociale Kapitalfond (DSK), Denmark
- Ferd Social Entrepreneurs (*Ferd Sosiale Entreprenører*), Norway
- Norwegian Association of Local and Regional Authorities (*Kommunesektorens organisasjon (KS)*), Norway
- Impact StartUp, Norway
- Ministry of Social Affairs, Housing and Senior Citizens - Danish Authority of Social Services and Housing (*Social-, Bolig- og Ældreministeriet - Social- & Boligstyrelsen*), Denmark
- Research Institutes of Sweden (RISE), Sweden
- Swedish Association of Local Authorities and Regions (SALAR) (*Sveriges Kommuner och Regioner (SKR)*), Sweden
- Institute for Health and Welfare (*Terveysten ja hyvinvoinnin laitos*), Finland

The following organizations were represented in our Advisory Committee:

- Ministry of Labour and Social Inclusion - (Directorate of Labour and Welfare (*Arbeids- og Inkluderingsdepartementet - Arbeids- og velferdsdirektoratet*), Norway
- Research Institutes of Sweden (RISE), Sweden
- Swedish Association of Local Authorities and Regions (SALAR) (*Sveriges Kommuner och Regioner (SKR)*), Sweden
- Ministry of Social Affairs, Housing and Senior Citizens - Danish Authority of Social Services and Housing (*Social-, Bolig- og Ældreministeriet - Social- & Boligstyrelsen*), Denmark
- Ministry of Social Affairs and Health - Department for Communities and Functional Capacity (*Sosiaali- ja terveystieteiden ministeriö - Yhteisöt ja toimintakyky -osasto*), Finland
- Department of Social Affairs, Labour Market and Home Affairs (*Departementet for Sociale Anliggender, Arbejdsmarked og Indenrigsanliggender*), Greenland
- Ministry of Social Affairs and Culture (*Almanna- og mentamálaráðið*), Faroe Islands
- Ministry of Social Affairs and Labour - Directorate of Social and Pension Affairs (*Félags- og vinnumarkaðsráðuneytið*), Iceland

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