



ITHACA ACTION PLAN

a connective approach
to implement the
Brabant Outcomes Fund

ITHACA
Interreg Europe





Foreword

's-Hertogenbosch, 19 November 2019

This is the plan of action for the Interreg project ITHACA, Innovation in Health and Care for All. A European project for which we were the lead partner for the past four years and in which we worked hard with international regions to improve our regional innovation policy. When it comes to Brabant this concerns influencing the Smart Specialisation Strategy (RIS3) and the Operational plan Zuid (OpZuid). The ITHACA project wishes to ensure that these policy instruments stimulate upscaling solutions. The objective being to enable our inhabitants to continue to live at home in a safe, pleasant manner.

We really care about issues concerning care, health and welfare in Brabant! These issues are tough and complex. However, as the provincial government we can make a difference together with local, regional and international partners. To do so we require social, ecological and economic perspectives. And we need to know the wishes and demands of our inhabitants as well as solutions for their daily lives.

Over the past four years we have, in conjunction with international regions, learned a lot about each other's regions, but also our own with the ITHACA project. With our project partners we have gathered many valuable insights as well as feedback on what is already running well in Brabant, but also what could be improved. These lessons and feedback constituted the basis for setting up the Brabant Outcomes Fund, a public/private financing method that focuses on upscaling companies' societal impact. This plan of action describes how we will continue the Brabant Outcomes Fund's activities over the coming two years.

I am pleased that we will be working on this theme together with Baden-Wurtemberg for the coming two years. A region we have warm ties with at an administrative level and with which we have been cooperating for years now in all manner of fields. I love the fact that we will be exchanging even more to stimulate societal impact.

I am also curious as to what we will experience over the coming period with the ITHACA project which I will continue to monitor with much interest!

Jeroen Smarius,

Director Provincial Government of Noord-Brabant





Action Plan for the region of Noord-Brabant

Part I – General information

Project: ITHACA InnovaTion in Health And Care for All

Partner organisation(s) concerned: Lead partner Province of Noord-Brabant

Country: the Netherlands

NUTS2 region: Noord-Brabant

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Part II – Policy context

- The Action Plan aims to impact:
- Investment for Growth and Jobs programme
 - European Territorial Cooperation programme
 - Other regional development policy instrument

Name of the policy instrument(s) addressed: Operational Programme South Netherlands ERDF 2014-2020 (OPSN)

Further details on the policy context and the way the action plan should contribute to improve the policy instruments: In this Action Plan we focus on the 2014-2020 ERDF Operational Programme South Netherlands (OPSN) of the region of Noord-Brabant. The Regional Innovation Strategy for Smart Specialisation (RIS3) of South-Netherlands is the foundation of the Operational Programme.

The region of Southern-Netherlands, consisting of the provinces Zeeland, Noord-Brabant and Limburg, has been allocated an amount of EUR 113,627,056 from the European Regional Development Fund (ERDF) for the period 2014-2020. This budget, combined with additional public and private co-financing aims to strengthen its potential for Research and Innovation. The region intends to contribute with this objective to the overarching EU2020 strategy for smart, sustainable and inclusive growth and to the Dutch targets set in this regard. The region recognizes **the need for targeted investments** and takes into account **its socio-economic profile**. It also bears in mind the Regional Innovation Strategy of Southern-Netherlands (https://ec.europa.eu/regional_policy/EN/atlas/programmes/2014-2020/netherlands/2014nl16rfop003).

In line with the regions' socio-economic profile the RIS3 South Netherlands intends to apply a societal driven innovation strategy instead of an industry driven innovation strategy. One of the regional societal challenges identified as innovation driver is Active and Healthy Ageing (AHA). Therefore, towards one of the identified topclusters in the RIS3, namely Lifesciences and Health, the operational programme promotes business investment in Research and Innovation, develops links and synergies between enterprises, research and development centres, knowledge institutions and the higher education sector, and open innovation through smart specialisation.





Challenge: The current RIS3 is based on the assumption that investments in innovative top clusters will automatically lead to solutions for societal challenges like clean energy, inclusive society, safe food, smart transport etcetera. See the figure below:



Source: https://www.stimulus.nl/opzuid/wp-content/uploads/sites/4/2015/03/Smart_Specialisation_Strategy_for_the_South_Netherlands.pdf

Results so far show very little solutions for the societal challenges of an inclusive society. For the top cluster life science & health related to the topic of active and healthy aging, this is a bottleneck as we need solutions that enhance the connectedness of people. Citizens need to be connected to their social network and their environment: preventing them from unsafe and unhealthy situations at home, feelings of loneliness and stimulate healthy lifestyles including healthy environment.

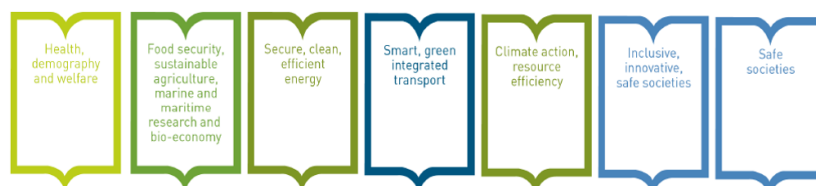
Strongly connected to this is another challenge: how to find successful business cases with a sustainable financing model in order to implement and scale the innovations in the field of life-science & health related to the topic of active and healthy aging. The main challenge is the fact that solutions for active and healthy aging are combining different policy domains (social, spatial, economic) and are connected to both the public and private sector. This creates a big challenge in our current siloed system which is also reflected in the setup of the current RIS3 and OPSN.



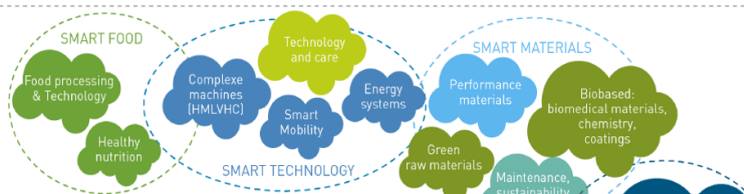
Solve societal challenges by focus on topsectors and crossovers



⑥ Challenges



⑤ Innovative opportunities
[Examples, not exhaustive!]

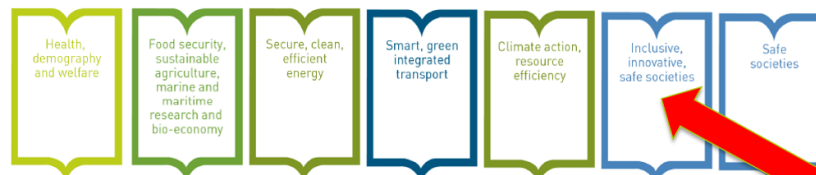


The question is:

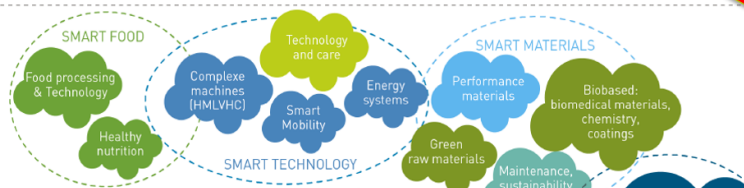
Do we achieve an inclusive society by focussing on topsectors and crossovers?



⑥ Challenges



⑤ Innovative opportunities
[Examples, not exhaustive!]



To be improved: We have to find a way to answer the following question: **“How to develop a more integrated regional policy to enable all citizens to stay longer and healthier at home by the means of more integrated innovations in health and care?”**. We need a better process for integrated policy development in which the social, economic and spatial domains are involved. We need a more integrated regional policy for sustainable innovation. Only then societal challenges like active and healthy ageing can be tackled better and new innovative business development can be supported. This means the developing of public private partnerships for shared risks and initiating multi helix learning ecosystems in which all stakeholders are involved. For the Noord-Brabant's societal challenge 'validation and scaling of smart solutions for active and healthy ageing' the OPSN needs to better facilitate the new role of the regional government as a catalyst in the regional learning ecosystem. Also be able to facilitate the crossovers between clusters and other promising domains. It might be a solution to take the societal challenges as a starting point instead of starting from top clusters to connect the economic, social and ecological challenges and agenda's in Noord-Brabant. Based upon these insights we developed a Theory of Change together with our regional stakeholders to visualise the actions we have to take to solve the challenges as mentioned above.



Theory of Change ITHACA – Brabant – version 6 June 2018

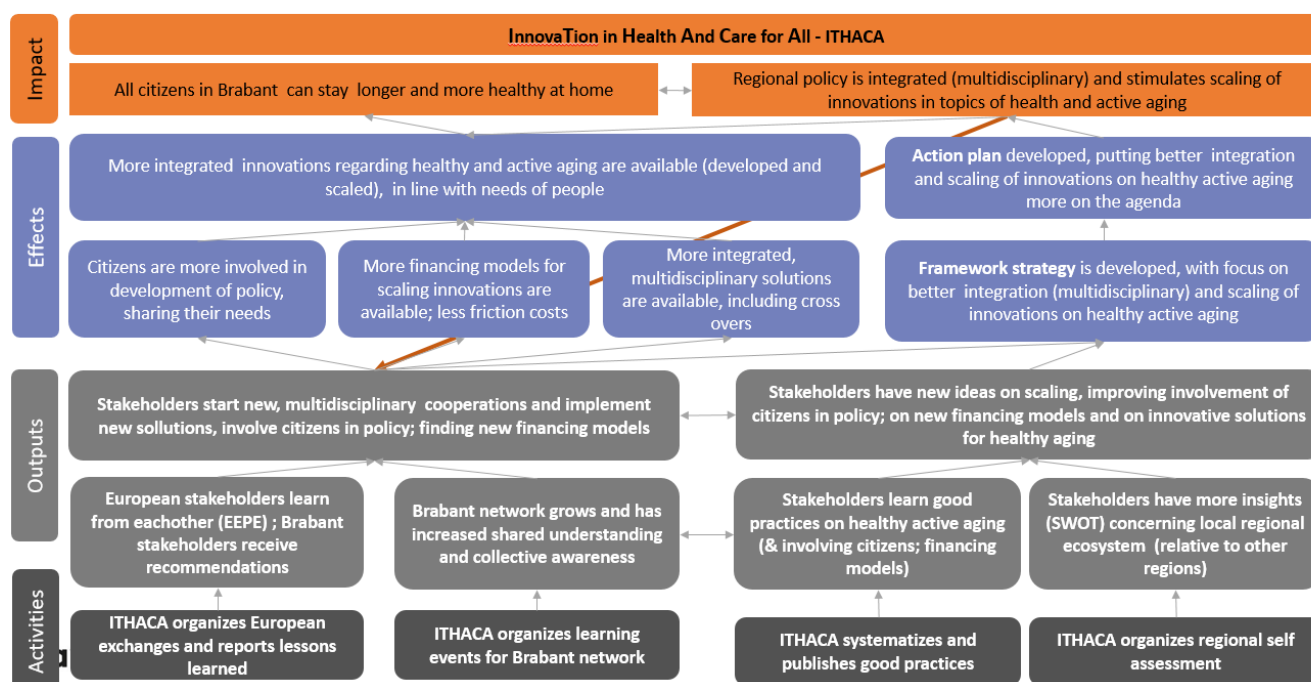


Figure: Theory of Change describes the actors, actions, outputs, effects and impacts related to regional activities of ITHACA in Noord-Brabant.

This Action plan: is linked to the policy change that we already achieved in phase one of the ITHACA-project. This policy change is focused on one of the Programme main priorities: Increase the research and innovation intensity in SMEs and improve their uptake of innovation. In particular, the uptake of innovation in the lifescience and health cluster related to the challenge of AHA requires an improvement in the existing policy instrument. For the uptake of innovations more attention needs to be paid to stimulate and support social innovation of SMEs and other collaboration partners such as other enterprises, including social enterprises, knowledge institutions, government and partners from the demand side.

Despite the fact that business investment is promoted for research and innovation, there is a lack of attention paid to specifically the stimulation and uptake of social innovation which is needed for systemic changes and wicked problems in health and care and which is necessary for the uptake of innovation in transforming health and care systems. Also it does not lead to appropriate private investment that matches with the needs of SMEs who need to deal with a long term and more socio-economic impact driven process of systemic change in close collaboration with other stakeholders. As the period of the existing policy programme will end in 2020, time is running out for real change and existing ERFD budgets are already allocated. Therefore, we started an action during the first phase of ITHACA with additional regional public budget that will also lead to private investment budget for offering business investment to SMEs that increases the social innovation intensity and the uptake of social innovations. The action is called the Brabant Outcomes Fund (BOF) and this Action Plan will focus on the continuation of this action.

With the BOF we focus on the implementation of a public private financing methodology that “forces” a better cooperation between public and private partners, stimulates a more integrated approach in and between governmental bodies, takes societal challenges as a starting point and stimulates the scaling of solutions with societal impact on the topic of active and healthy aging. Two executive agencies of OPSN are partner in the development and execution of this policychange: the Brabant Development Agency (BOM) and Stimulus. By interacting and cooperating in the process of the BOF they are learning in practice how we can match private investment to public investment in order to increase the intensity and uptake of social innovation in a merely economic driven system.



Part III – Details of the actions envisaged

ACTION:

Implementation of the Brabant Outcomes Fund

1. Relevance to the project

During the EEPE in **Baden-Württemberg** between the 2nd until the 4th of July 2018 the visit to the **Social Enterprises network** of region of Baden-Württemberg showed the importance of stimulating social innovation and the role of social enterprises (SEs) and government for the uptake of innovations of SMEs. This network has been initiated and financed by the Industrial sector to stimulate social innovation and connect SMEs better to public stakeholders (and public investment budgets) such as health and care organisations, housing organisations, local and regional governments. We realised that we lacked this perspective of innovation and the stakeholders involved in our OPSN. It offered us an extra opportunity to attract private business investment for innovation. To achieve this, we needed to improve our existing OPSN into a more integrated programme and broaden the innovation scope with social innovation.

The EEPE in **Slovenia** between the 2nd and 4th of October 2018 showed Noord-Brabant how to bridge top down policy instruments and bottom up learning from and with initiatives by two national pilots: **the Long Term Care Act**, coordinated and facilitated by the ministry department of Health and a pilot of **eHealth**, coordinated and facilitated by the ministry department of Social Affairs proved to be strong top down policy instruments combined with active public and private stakeholders involvement in a bottom up co-learning by doing process. This is guided with impact monitoring instruments to bridge the challenge of implementing a new law and the uptake of e-health innovations. This approach has been an inspiration for the policy improvement action for OPSN to improve the uptake of innovations of SMEs in one of the identified top clusters life sciences & health.

Therefore, Noord-Brabant works on an action that will:

- intensify the collaboration of SMEs and industries with SEs and specific impact related expertise of knowledge institutes that can support and monitor multi-capital impact;
- attract private and public investors to support the scaling of (social) innovations.

In Nouvelle Aquitaine during the EEPE between the 28th and 29th of November 2018 the approach of the **firm Ellyx** with a strong supportive role in social innovation programmes and ways of impact measuring showed us how the region is investing in social innovation in general and in particular in education of professionals. We realised that our region is lacking these kind of knowledge institutes specialised in social innovation and impact measurement in the programme of OPSN. We started to search and involve these kind of institutes in the development of our regional pilot. GPs **Care(e)r pathway** and **Rally for Homeworkers** focus on education in health and care and cooperation between public and private investors to increase the quality of care services and solve unemployment and the lack of professional carers who are skilled in using (smart) health innovations in practice.

2. Nature of the action

In the first phase of ITHACA we started the Brabant Outcomes Fund based on the insights of the ITHACA project and underbuilt by the results of the survey [Betekenisvol Brabant](#) (Purposeful Brabant). The main point is about a stronger and pro-active role for governments like provinces and municipalities in the field of social innovation and the connection between SEs and SMEs and the collaboration between public and private investors. Concrete recommendations are: value the balance of economic, social and ecological impact (for example based on the Sustainable Development Goals), decompartmentalize governmental bodies, make growth(capital) easier to access. These recommendations needed a practical approach, that is why we want to develop an innovative financing method which:



(1) takes the societal challenge as a starting point (instead of programs, sectors), (2) stimulates cooperation between private and public bodies, (3) pays for societal outcomes instead of savings only.

We realised that the methodology of social impact bonds and outcomes funds is a good starting point. Because these approaches create shared responsibility between private investors, public government and (social) entrepreneurs.

Inspired by Social Impact Bonds & Outcomes Funds



Figure: Methodology of outcomes based finance like social impact bonds and outcomes funds

We also realised that we have to add a couple of new elements to the methodology of current social impact bonds and outcomes funds to reach the goals that we had set for our region:

- Financial savings are not the main goal
- Validate and stimulate multiple value (social, ecological, economical)
- Focus on scaling up of impact
- Regional scale instead of local or national
- Give a loud voice to the rightsholders/beneficiaries when estimating value
- Focus on implementation of lessons in organisations

The development of this new financing method, the so-called Brabant Outcomes fund, is about system change on different levels (individual, organisational, inter-sectoral, regional, interregional). Therefore, an open and learning attitude from all stakeholders (municipalities, colleagues in the regional and local government, businesses, financiers etc.) is crucial to achieve this transformative system change.

Based on the expertise on social innovation in France we searched for and involved new Dutch stakeholders such as Social Finance NL and Sinzer with similar expertise as the French knowledge partner of the region of Nouvelle Aquitaine. This collaboration with us as regional government resulted in a concrete impact that is matching directly with one of the expected impacts of the OPSN as they helped us to mobilise and involve the private investors who are willing to invest 800.000 euro's in the selected SMEs in the field of AHA. Based on the learning from the social innovation network of Baden Wurttemberg aiming at increasing social innovation intensity of SMEs, particularly in the field of AHA it was decided to give also priority to innovations in this field besides the priority of innovations related to labour market challenges. Similar to the development process of



the national pilots of Slovenia the criteria for investees were co-developed in a public-private partnership by the regional government, the knowledge institutes and private investors. Once the results have been achieved, the regional government pays back the investors with interest, therefore an amount of 1000.000 euro's is set aside. With the help of many motivated stakeholders the fund opened the 20th of December 2018: <https://www.brabant.nl/subsites/brabant-outcomes-fund/english>

Cooperation with Baden Württemberg

As there is an important link between the envisaged actions during the coming period between the region of Baden Württemberg and the Noord-Brabant region, we want to make sure that we make use of the *strengths of each region to improve the implementation of actions in both regions* by having frequent contact with each other. The focus of these activities is to develop a transnational cooperation that stimulates and supports the scale and impact of social innovation of the providers (social entrepreneurs/SMEs and industries) in the health sector in each region by influencing the regional policy instruments of Noord-Brabant and of Baden Wurttemberg. These activities are a follow-up to a connection that was made during the EEPE between the 2nd until the 4th of July 2018 in Baden Württemberg. With this follow-up both regions have the opportunity to strengthen the multi-stakeholder collaboration and expand the numbers and diversity of stakeholders and thus considerably deepen the dialogue and cooperation. It transfers, in an integrated way, lessons from the ITHACA project to the delivery of a proposed ERDF-funded follow-up as a joint activity by the Province of Noord Brabant and Baden Württemberg.

The impulse for this cooperation was established during the ITHACA Expert Task Force Workshop in Paris (January 2019) and initial steps have been taken to further develop the cooperation in phase 1 of the ITHACA project. Both regions, Noord-Brabant and Baden-Württemberg, will intensify the already existing collaboration in order to jointly implement ITHACA activities in their specific regions.

Goal: The pilot of the Brabant Outcomes Fund supports and increases the impact of innovative SMEs and SEs with solutions for active and healthy aging (including the RIS3 cluster life sciences & Health). In the meantime, the cooperation with Baden Württemberg will test the viability and develop the methodology for re-orienting ERDF resources towards increased investment in SMEs that can directly support their capacity to commercialise, internationalize and scale up their services and product solutions for the health and care sector.

Method: provide public and private capital for the scaling of SMEs and SEs with solutions in the field of active and healthy aging based on outcome-based finance by the implementation of the Brabant Outcomes Fund. Establish a joint “Transregional Advisory Board for Action Plan Implementation” together with Baden Württemberg.

Expected impact:

- Improvement of the intensity of social innovation in SMEs and SEs
- Improvement of the cooperation and facilitation of collaboration partners, such as other enterprises, including social enterprises, knowledge institutions, government and partners from the demand side.
- Improvement of private and public investments that matches with the needs of SMESs and SEs.
- Boost joint implementation activities with regard to this topic between important stakeholders of Baden Württemberg and Noord-Brabant.

In order to select the right SMEs that impact the topic of Active and Healthy Aging, the Sustainable Development Goals will be used as a guidance, with an important role for SDG 3: good health and well-being. The selected enterprises will at least have a proven impact on this SDG.



SUSTAINABLE DEVELOPMENT GOALS



As mentioned above we will also create impact on collaboration between partners and the intensity of innovation. These impacts will be measured and monitored by means of a process of action learning, to get a better insight in the expected improvement. In order to grasp the territorial effect of the policy change in Noord-Brabant, this topic is also included in the process of action learning. We will also have a very intensive process of monitoring the impact on the lives of the citizens: for example, how does the intervention of this entrepreneur change the feeling of wellbeing of citizens, or their self-esteem. Contracts will be signed between the private investor, the entrepreneur and the government, and the outcomes based payments will also be related to these impacts on the topic of health and wellbeing of citizens.

3. Stakeholders involved

Province of Noord-Brabant: initiator and outcome-payer, budgets will come from different policy-domains/programmes like Social resilience, Agrofood, Economic development, Energy, Spatial Development.

National private financiers like Oranjefonds, DOEN, Rabofoundation: providing work capital

83 SEs with solutions for societal challenges in the field of Active and Healthy Aging

BOM (Brabant Development Agency): judging the investment readiness of the involved SEs and SMEs. The BOM has a role as an executive agency concerning OPSN.

Stimulus: facilitating the connection with SMEs that got subsidy from the current OPSN to develop new innovations in the field of life science & health. Stimulus has a role as an executive agency concerning OPSN.

Sterk Brabant: a platform (online and offline) that connects SEs, citizen-cooperatives and social initiatives to expertise, network and capital.

Data-experts like Telos and PON: providing data and estimating thresholds, long term/short term needs in the region.

Impact-experts like Sinzer and Avance-impact: measuring impact of the actions of SEs and SMEs and the impact of the process of the BOF

Outcomesbased finance experts like Social Finance NL: helping with making the contract and payment schemes

Learning experts like Technical University Eindhoven: facilitating the transformative learning process on individual, organisational, regional and interregional level.

4. Timeframe

In the region Noord-Brabant

Year 2020:

Entrepreneurs continue to achieve estimated outcomes.

February 2020: Meeting with investors, entrepreneurs, impactexperts and province to monitor the process and check if expected outcomes are achieved, if yes, outcome-payments.



July 2020: Meeting with investors, entrepreneurs, impactexperts and province to monitor the process and check if expected outcomes are achieved, if yes, outcome-payments.

Year 2021:

Entrepreneurs continue to achieve estimated outcomes.

February 2021: Meeting with investors, entrepreneurs, impactexperts and province to monitor the process and check if expected outcomes are achieved, if yes, outcome-payments

September 2021: Meeting with investors, entrepreneurs, impactexperts and province to monitor the process and check if expected outcomes are achieved, if yes, outcome-payments.

In cooperation with Baden Württemberg:

- 1) Set up a constitutional meeting of the Transregional Advisory Board for Action Plan Implementation. What is the potential impact of the transfer of such an GP (Brabant Outcomes Fund) for the policy improvement of Baden-Württemberg? Field visits for transfer of elements of the Brabant Outcomes Fund and transformative dialogues and interventions to optimize and move forward to the common goals in the implementation process of collective actions (until May 2020).
- 2) Organise a (trans-regional) multi-stakeholder workshop together with the Transregional Advisory Board for Action Plan Implementation on social entrepreneurship and impact funding (until December 2020) in Baden-Württemberg.
- 3) Baden-Württemberg delegation visits Noord-Brabant for a multiple perspective implementation workshop (until May 2021)
- 4) develop a concept for integrating social intra-/entrepreneurship and impact funding to existing ERDF programmes like RegioWIN (i.e Life Science Accelerator Rhine-Neckar) and to the next OP funding period (June 2021).
- 5) Multiple perspective implementation workshop in Baden-Württemberg (with support of Noord-Brabant and the Transregional Advisory Board for Action Plan Implementation) on how to boost the scale-up of health innovation by using other financial instruments (until October 2021).

5. Costs

In the region Noord-Brabant:

Process and expertise: 200.000 euros for expertise on social innovation and impactmonitoring and how to build public/private business investment.

Work capital: private investors are willing to pay 800.000 euros for the selected SEs and SMEs in the field of AHA

Outcomes payment: Once the results have been achieved, the regional government pays back the investors with interest, therefore an amount of 1000.000 euro's is set aside

Cooperation with Baden Wurttemberg:

Travel and accommodation (7 visitors per visit-5-6 advisory board members & 1-2 key stakeholders, 2 visits in total per region) **€ 7.000,00**

Organisation of 2 visits per region **€ 7.250,00**

Including:

Transport by bus/train as we will visit several different local places to advice on the spot € 1.000,00

Meals and beverages € 2.000,00

Venue for meeting of the Transregional Advisory Board for Action Plan Implementation. € 500,00

Communication to keep regional stakeholders involved by short videos and newsletters € 500,00

External expertise for methodological support on effective transnational collaboration for transfer and implementation of collective actions during 2 visits per region, including preparation time and feedback afterwards (16 hrs per visit) €3.250,00



6. Funding sources

In the region Noord-Brabant

Budget for process and expertise is provided by the provincial programmbudget from the department of Culture&Society

Budget for work capital is provided by private financiers

Budget for outcomes payment is provided by the provincial programmbudget from the department of Culture&Society

Cooperation with Baden Wurttemberg

Budget is provided by the provincial programmbudget from the department of Culture&Society