

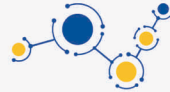
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Social Impact Bond Berne/Switzerland
Integrating refugees into the labour market

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The Basics: What do we mean with «Social Impact Bond»

It's an investment, not a donation

- Investors grant a loan with a defined duration
- Investors can lose some of their investment or generate a return

Results are measured against a benchmark

- Criteria have been set prior to start of project
- Determination of outcome is supervised by external party

State / provider / investor: all partners sit in the same profit/loss boat

- Public sector lowers costs if results are positive
- Service provider has a bonus/malus
- Investors have a gain/loss

Social Impact Bond Berne at a Glance

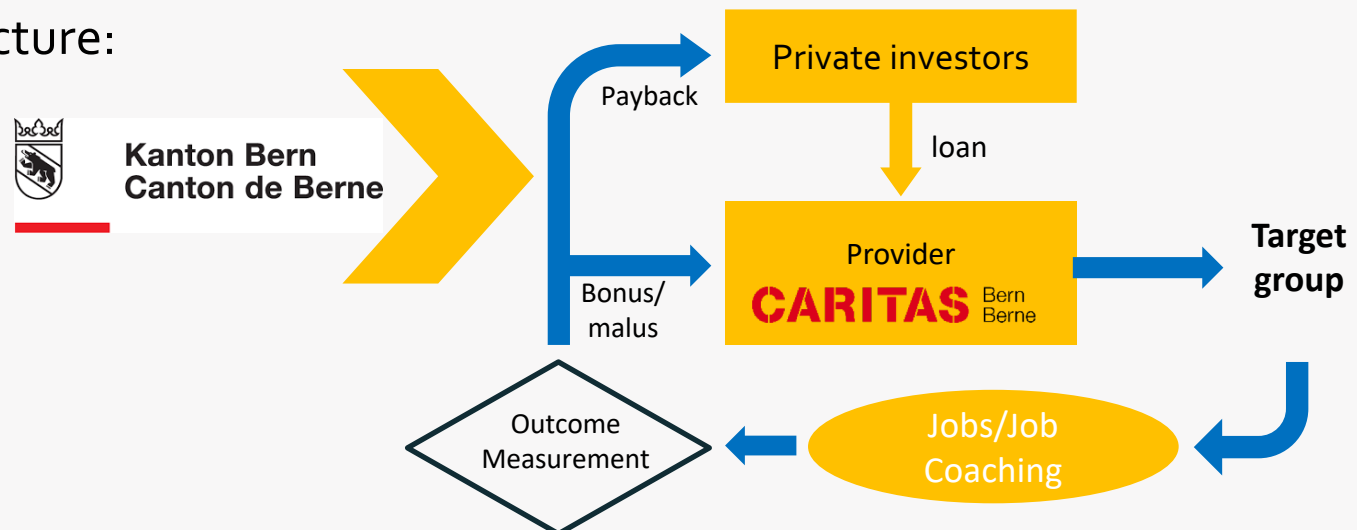
The problem:

Temporarily admitted immigrants and refugees in the canton of Berne have an employment rate between 10% and 20%.

The question:

Can this rate be exceeded if the main emphasis of the integration work is put on outcomes (employability) and incentives?

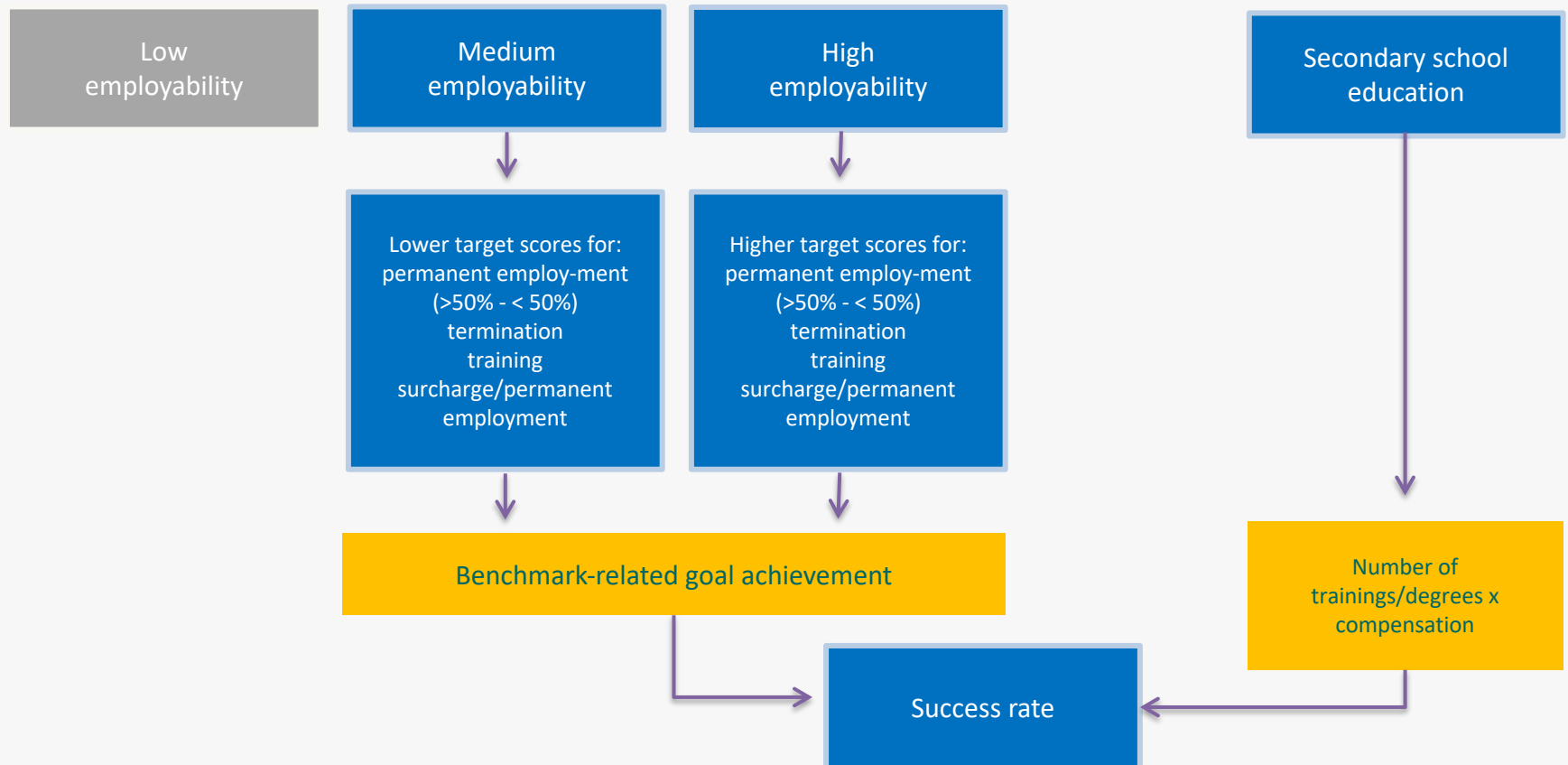
The structure:



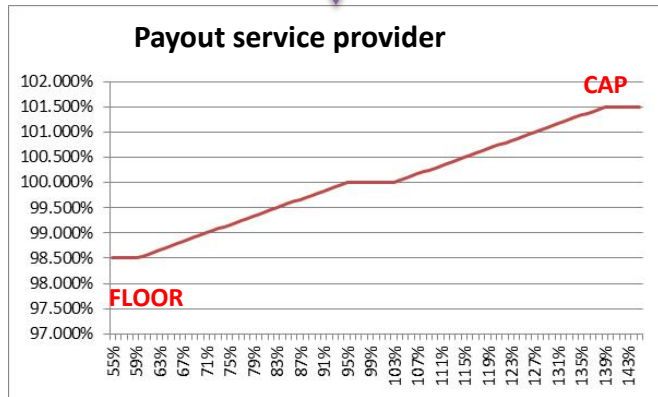
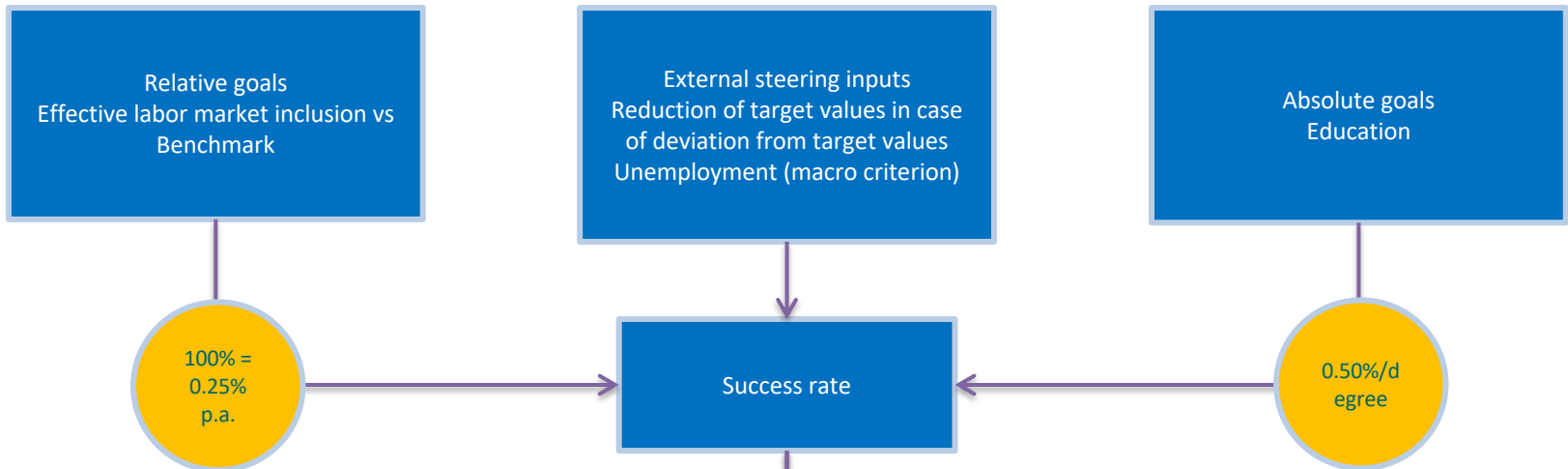
Goals and measurement of target achievement

Relative goals

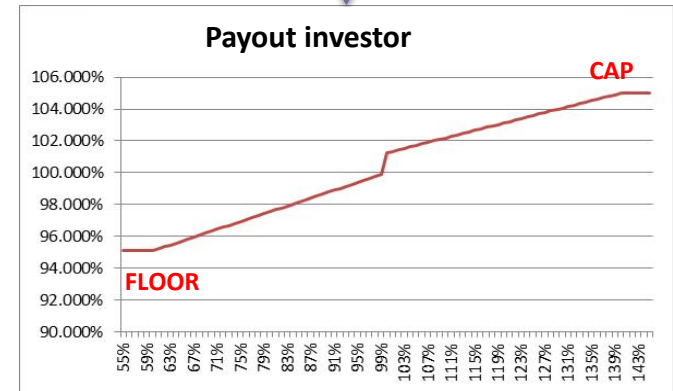
Absolute goals



Financial Structure



Rate of target achievement



Rate of target achievement

Challenges

- **Idea and approach**

The idea was to solve a social problem by creating some sort of public private partnership structure. The initiative started in the private sector and the project was launched by Invethos AG and Focus Berne - an association of entrepreneurs in the Canton of Berne.

The first idea was to have a different target group and a different structure, but **the political discussion dominated the agenda and the choice of the final target group.**

- **Obstacles**

- Benchmark data are scarce or fragmented
- The proposed equity – premium model was not well perceived
- The introduction of target success rates were perceived as criticism by the social institutions
- The idea of measurement was perceived as “introducing capitalism” into the social world
- Finding investors was not easy

- **Compromises**

As a consequence a lot of compromises had to be made, for example on the target group, the levels of possible gains, the levels of bonuses and maluses of the social institution and the comparison group.

- **Changing Framework Conditions**

In 2018 restrictions were introduced by the government for the target group to do internships prior to being employed on a regular contract basis

Method: Supported Employment

- Job placement of people with limited perspectives, as quickly as possible («first place, then train»)
- Coaching on the job, company support
- Temporarily incentives to compensate limited performance
- Continuity in job coaching

Process: Step by step to the ideal placement

Application
by the refugees and
temporarily admitted
persons

Assessment: 10 days
examination and
recruiting process in a
specialized institution

Analysis of the personal
situation of the applicants,
language tests,
examination of their
professional experience

Employability low

**Employability medium or
high**

Employability low

Employability medium or high

Support in application process

«Zweiter Arbeitsmarkt»:
Language courses,
acquisition of professional
skills

Entrance to the labour
market with/without
incentives

Coaching on the job, company
support



Lessons learnt

- Job coaching: Very positive perception (on the part of employees and employers). Central approach of the actual politics on a national level
- Certain reversal of the concept «first place then train»: First short insights in companies, internships, apprenticeships, then fix jobs
- High expectations on the part of the employers: Employees have to fulfill requirements, otherwise there is no employment. Financial incentives can be useful, but are not decisive

Caritas Bern: An NPO in a SIB-project

- New perspectives in a field under high political pressure.
- Opportunity to expand the network to local companies
- High flexibility of the project and possibility to adapt the targets
- Strong willingness to try new ways (trial and error)

Structure of the SIB of the Canton of Berne

