



Message from the innovators

- *"Small Acts, conducted by the few, then multiplied by thousands can change the city"* Dorin Miclaus, Baia Mare, Urban Innovator
-
- *"Romanians need to become action, rather than reaction. We need to adopt the State of the Art and deliver innovation, rather than repeating others' experiments. This needs to be Romania's country project, both at national but foremost local level."*, Dr. Ec. Catalin Cherecheș, The Mayor of Baia Mare

"If at first the idea is not absurd, then there is no hope for it" (Albert Einstein)

Overcoming crisis, increasing resilience and strengthening local ecosystems in a post-pandemic context overlapping accelerated climate-change, globalization and rapid urbanization, is raising strong challenges to cities world-wide. As Europe's economic heart are SMEs, its backbone are Cities, the sufficiently small and independent administrative unit to provide local solutions based on their self-determination, decision power, community-orientation, economic power and independence. Local, community-driven innovation and co-creation processes are home within cities, while citizens' voices are strong enough to be heard at a local level. Localization, in contrast to globalization can increase trust, resilience and self dependance of the local economic, environmental and societal challenges. Though, tools for self-reliance and innovation boost need to be brought into place, from participatory budgeting or investment prioritization to participative governance and co-creation of public spaces. Social Impact Bonds are both a tool and an outcome of community cooperation in bringing open innovation in city management.

Context and Process

More effective public services with less public money

Providing more effective public services with less public money is a challenge for many EU countries today. Between 2009 and 2017, total government expenditure in the EU-28 decreased from 50% of GDP to 45.8%; similarly, local government expenditure fell from 12% of GDP to 11% between 2009 and 2015. Meanwhile, demands on services have remained intense; between 2009 and 2017, spending on social protection as a proportion of total spending increased from 38.8% to 41.2%, and spending on health increased from 14.7% to 15.3% (Eurostat). Cities provide many such services and doing so while running on tight budgets causes heavy strain. Change is required to meet these challenging circumstances, but what kind of change? A report from the University of Oxford's GO Lab — 'Building the tools for public services to secure better outcomes.

Fragmented and siloed agencies and budgets

Regarding fragmentation in service delivery, the report states the following: "service provision is often fragmented both across the complex provider landscape and amongst commissioners. Providers may struggle to align their services to meet complex needs. Commissioners may have overlapping and inter-related responsibilities." Furthermore, because services are often split between different departments, "synergies and connections across the ultimate objectives of provision are difficult to manage. This may result in gaps for service users, provision may be duplicated, and citizens may be buffeted between several different agencies or service providers."



Short-term political and financial focus

Regarding short-termism in service delivery, the report states that “[a] key way to improve social outcomes is to prevent issues from arising at all or to stop existing problems from getting worse. [...] However, commissioners often face challenges in running preventive interventions alongside existing services. Resources are often fully committed to meeting current needs and reacting to crisis-point situations, which means that prevention is often the ‘Cinderella service’, coming last in the allocation of limited resources.”

Aversion to risk and innovation

Regarding aversion to risk and innovation, this has many facets. One of the most significant is the risk of public failure. Very few politicians will risk their reputation on implementing a relatively unknown intervention that has millions of euros in upfront costs. If the intervention fails, serious questions will be asked about their judgement.

A new trend: impact investment

In the meantime, the idea of ‘socially responsible’ or ‘impact investment’ is emerging amidst a low interest rate environment. The trend of investing in the social environment has become a way for investors to give back to the community. Very often, companies are trying to expand their social responsibility. As a result, a growing number of investors are looking for forms of impact investments as a way to stand up for their beliefs and also make a profit. The relatively new tool for bringing together the investor and the public sector is the Social Impact Bond (SIB).

Impact Bonds

Impact bonds (IBs) are outcomes based contracts. They use private funding from investors to cover the upfront capital required for a provider to set up and deliver a service. The service is designed to achieve measurable outcomes specified by the commissioner.

Social Impact Bonds

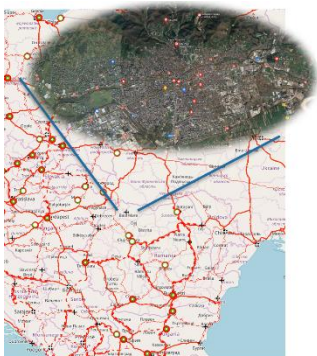
Social impact bonds (SIBs) refer to IBs in which the outcome payer is the government which represents the target group. Development impact bonds (DIBs) refer to IBs in which the outcome payer is an external donor- an aid agency of government or multilateral agency, or a philanthropic organisation. Impact bonds bring together three key partners to deliver better outcomes for a target group.

Outcome payers are the commissioners. They identify social issues, specify payable outcomes that must be achieved to address these issues, and pay for achieved outcomes.

Service providers work with the target group to achieve the outcomes specified by the outcome payer, and receive payments based on specified outcomes being achieved.

Investors provide upfront funding for the service provider to finance the project and are repaid based on specified outcomes being achieved.

Context - City Challenges



Former mining capital of Romania, isolated from Ten-T, with limited Alternative Transport and no Green-Blue corridor. On the positive side, 40% tourism increase (10 years), international Cargo Airport and safe and climate-resilient location.

In terms of demographics, the city has 144.925 inhabitants, being the 18th city in size, in Romania (2020). It faces decreasing population & ageing. Vulnerable groups living in slums, at risk of poverty and social exclusion and poor economic competitiveness. On the positive side, there is an ongoing redefinition of local industry (processing & engineering centered growth) and an increased environmental quality, with a good gender balance.

Baia Mare

Situated in north-western Romania, the City of Baia Mare is Romania's 18th largest city and third in size in its region. Situated close to the Ukrainian and Hungarian borders, the city has diverse but poor TEN-T connectivity (airport, roads and rail).

The most important economic activities are the processing industry (electrical, furniture).

Confronted with an accelerated demographic decrease, one of the most important challenges are increasing cooperation with neighboring rural areas and preventing the brain-drain through employment and job opportunities creation.

The strongpoints of Baia Mare are its surrounding natural and anthropic sites favoring tourism, as well as the forestry potential. On the other hand, the foremost challenges are the underdeveloped infrastructure, insufficient transformation

after its industrial past and environmental issues.

The Baia Mare Metropolitan Area

University center, partly adapted to the labor market requirements and state of the art academic research, the city polarized its surrounding cities and villages in a Metropolitan Area aiming at reducing social and economic disparities and improving the quality of life for all inhabitants, creating a coherent metropolitan development pole.

A network of industrial railways with important mobility impact lays unused, abandoned, and creates a boundary towards the city's expansion.

The Sasa River blue corridor is currently unexploited, though the city attempts to use its surroundings for leisure activities.

Population and growth

After its impressive growth in population and importance

throughout the 20th century, the city faced migratory and population ageing challenges for the past 30 years, mostly due to the vicinity of Cluj Napoca as a magnet city and the abrupt discontinuance of the mining industry and related industrial processing.

Art and creative industries

Despite its world-renowned School of Painting, the city is struggling to reinvent its creative industries sector, including ICT and art. The Painters Colony is home to the plastic artists, while the SPIRE HUB in the historical center has a more innovation-oriented approach, boosting the city's *immaterial Local Environmental Utility (iLEU)*, a local reward system for environmental-friendly action and green mobility aiming to support the creation of local value chains and business ecosystems.

The local community characteristics

- Ageing population
- Low unemployment rate (~2% at county level, less in the city)
- Low average wage (<1000 euro gross revenue at county level, more in the city)
- Low added value economic profile Furniture (30%), electric equipment (25%), woodworking (13%), agrifood (6%)
- Limited entrepreneurial initiatives
- Local embedded creativity (art and industry)
- Increasing community of changemakers

Changemaking is derived from several Urbact Local Support Groups:



Funding

Several funding sources can be utilized to boost social impact bonds approaches, including:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- Regional Operational Programme
- Smart Growth and Digitalization
- Human Capital
- Local Budget
- Law 350 – Local funding schemes
- Urban Innovative Actions
- Horizon Europe, Interreg and other innovative funding mechanisms

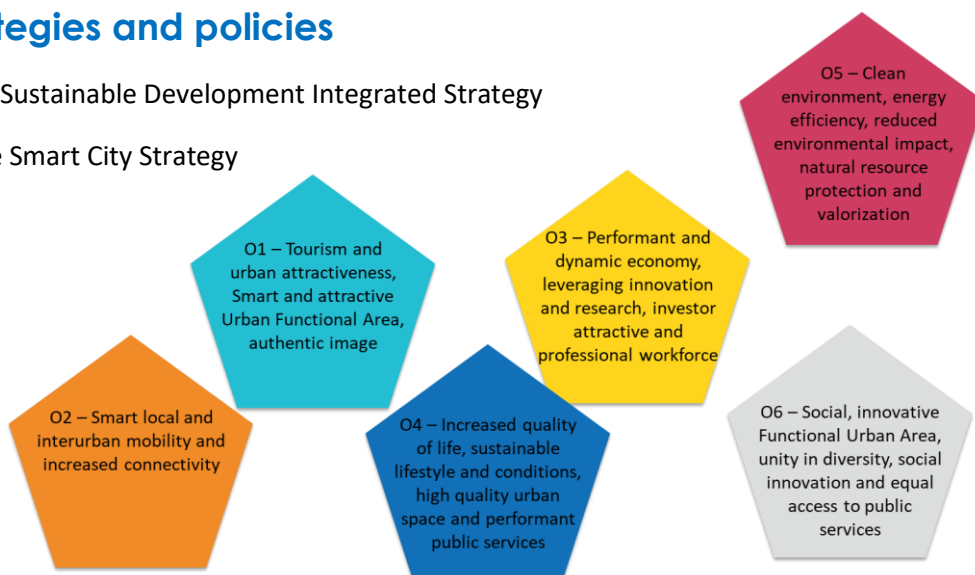
State of Play

Institutional Context

- The Municipality thrives towards leading innovation and inspiring the local community in adopting and harnessing innovation.
- Missing an Innovation manager or department, the Municipality is in search for cross-sectoral approach towards leading innovation (social, societal, administrative, economic, environmental)
- Local Funding, Social Assistance and Urban Planning are the departments that have access to finance and opportunities to deliver and boost innovation
- The Mayor and Vice-Mayor strongly support innovative initiatives
- The city implements an Urban Innovative Action on phytoremediation and community involvement, including a local reward system.
- The city has a good cooperation with neighboring smaller communities

Existing strategies and policies

- The Local Sustainable Development Integrated Strategy
- Baia Mare Smart City Strategy



Baseline Research Data

Once a center of mining and metallurgy

Baia Mare was once a center of mining and metallurgy in Romania, but that has changed in the past decades. Due to the closure of mines, the city now has a secondary-tertiary profile, with predominant industrial, construction and services activities which have improved the city's economy in recent years. The key economic sectors are the processing industry (furniture manufacturing, electrical equipment manufacturing), trade, construction, services and transport.

An economy not living to its full potential

However, Baia Mare could not make the most of its potential due to a lack of local economic initiatives caused by insufficient knowledge, culture and education. The city is near large cities attracting well-trained young people, and it has not found the solution yet to stop this exodus. Still, the unemployment rate is low, around 2%.

Poverty, social exclusion housing

The city has some problems as poverty and social exclusion, especially related to Roma people settled in ad-hoc housing in well-organised districts or near brownfields, housing problems and regeneration of urban deprived areas and neighborhoods. Active inclusion policies are not working correctly due to malfunctioning labor market, inadequacy of education and training, low accessibility of health services, underdeveloped housing, increased risk of poverty and social exclusion, weak government capacity to develop and implement public policies and strategies

Lack of infrastructure hindering the economy

. The local economy suffers from the lack of business infrastructure, lack of skills adequate to the needs of the job market; geographical isolation and lack of connection to the main transport corridors, low level of development of the business environment to attract investments and stimulate local entrepreneurship. Local tax policies do not encourage the private sector to get involved in social responsibility actions, and there are not enough industrial parks and business incubators.



Make public spending more efficient

The main challenge is to make public spending more efficient and to build on participatory approaches. Baia Mare wants to create a new model in the field of the local funding policies for the citizens and NGOs in the area of youth, culture and education and social services. That could be a new approach towards funding such projects and a new approach for participatory budgeting.

Engaging citizens

The challenge is how to increase the level of participation in civic issues, how to encourage citizen initiatives and engagement for community projects and how to create an open dialogue between citizens and public administration towards a balanced social ecosystem in the city. By dealing with these challenges, Baia Mare could enhance social inclusion, co-produce innovative services and support a shift from authority-controlled actions towards a decentralized approach, which is building on a citizen- and community-led activities.

Integrated Urban Development Strategy

The main city policy is laid down in the Baia Mare Integrated Urban Development Strategy 2015-2030. It formulates the primary development objectives, such as economy based on innovation and tourism, high quality of the environment meeting EU pollution standards and cohesive, inclusive, non-discriminatory social environment. The strategy consists of strategic development themes, such as "Baia Mare for tourists", "Baia Mare for investors" and "Baia Mare for residents".

Social Development Strategy

The Social Development Strategy of Baia Mare 2015-2020 formulated a mission of developing an efficient design and delivery of social services through an integrated, multi-sector and participatory approach for the needs of vulnerable groups in Baia Mare. The strategy has an integrated, multisectoral and participatory approach. It aims at connecting social services to prevent social exclusion, supporting marginalized people, building on a family-based approach, complementing social measures with labor initiatives, promoting lifelong learning, healthy lifestyle and disease prevention. However, the Social Department is implementing a series of projects which affect social services, such as "Standards for Baia Mare - inclusive and non-discriminatory integration", and "Socio-medical Incubator, Social Innovation Tool".

No experience with SIBs

The city does not have experience with Social Impact Bonds but has some experience and running projects which can be linked to the SIBs.

Sharing learning with the ULG

Learning from the transnational network activities will be shared with the ULG members during regular meetings with the ULG, and during the sessions that the core ULG will have with other local groups established in the districts of the city. The core ULG will exchange lessons learnt and will help if necessary. Open Days will be organized in the districts of Baia Mare. The ULG will use outputs from SIBdev to transfer the learning and the good practices.

Learning from partners

Unexperienced with Social Impact Bonds nor with Outcome-Based Contracting the city is interested in learning from SIBdev partners about citizen-based policies in the area of culture, avoiding silos in managing social development and open platforms for joint innovation.

Baia Mare is also interested in learning about various topics such as social innovation incubators, crowdfunding, participative budgeting, open data policies, social responsibility, cities as brokers.

Good practices

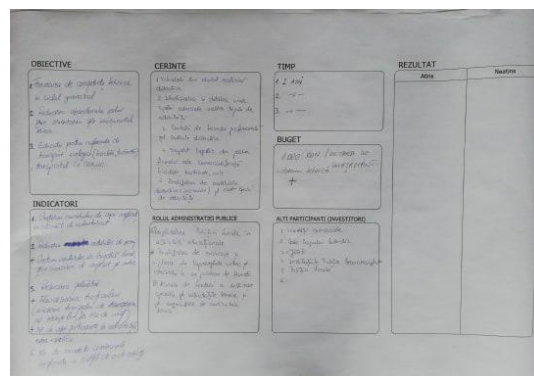
The city has some experience that could be used as good practices including the Rivului Pueris multifunctional center, Phoenix counselling disabled people, initiatives towards welfare and social inclusion, Romani Community Centre providing support for Roma disadvantaged persons and the new iLEU virtual currency.

Experience with the Urbact methodology

The city also has experience with working across city departments as it is managing a series of large-scale projects. However, the city intends to enhance its brokerage capacity and to be able to create an active partnership, to become a promoter of innovation, to assist the local partnership in many ways. The city has the necessary skills and competence in place to manage an Urbact project. The town is familiar with the Urbact methodology (integrated action planning and participative approach); proven by the fact that Baia Mare has been involved in BoostInno7 and has a UIA project running in parallel.

Experience with working across city departments

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OBJECTIVE	CEREINTE	TIMP	BUDGET	RESULTAT	Numele
1. Creșterea nivelului de trai al populației din zona de dezvoltare...	1. Creșterea nivelului de trai al populației din zona de dezvoltare...	1. 2 ani	1. 100.000 RON		
2. Creșterea nivelului de trai al populației din zona de dezvoltare...	2. Creșterea nivelului de trai al populației din zona de dezvoltare...	2. 2 ani	2. 100.000 RON		
3. Creșterea nivelului de trai al populației din zona de dezvoltare...	3. Creșterea nivelului de trai al populației din zona de dezvoltare...	3. 2 ani	3. 100.000 RON		
4. Creșterea nivelului de trai al populației din zona de dezvoltare...	4. Creșterea nivelului de trai al populației din zona de dezvoltare...	4. 2 ani	4. 100.000 RON		
5. Creșterea nivelului de trai al populației din zona de dezvoltare...	5. Creșterea nivelului de trai al populației din zona de dezvoltare...	5. 2 ani	5. 100.000 RON		
6. Creșterea nivelului de trai al populației din zona de dezvoltare...	6. Creșterea nivelului de trai al populației din zona de dezvoltare...	6. 2 ani	6. 100.000 RON		
7. Creșterea nivelului de trai al populației din zona de dezvoltare...	7. Creșterea nivelului de trai al populației din zona de dezvoltare...	7. 2 ani	7. 100.000 RON		
8. Creșterea nivelului de trai al populației din zona de dezvoltare...	8. Creșterea nivelului de trai al populației din zona de dezvoltare...	8. 2 ani	8. 100.000 RON		
9. Creșterea nivelului de trai al populației din zona de dezvoltare...	9. Creșterea nivelului de trai al populației din zona de dezvoltare...	9. 2 ani	9. 100.000 RON		
10. Creșterea nivelului de trai al populației din zona de dezvoltare...	10. Creșterea nivelului de trai al populației din zona de dezvoltare...	10. 2 ani	10. 100.000 RON		

Problems and solutions

Lack of community spirit

As a shrinking, ageing community, socially and economically challenged, with bubbles of elites having different goals and agendas, the city has partly lost its unity, civic spirit, and sense of belonging. A wake-up call and action towards boosting the community to its former cooperation models is urgent. Though community-led initiatives and corporate events are emerging, they have limited continuance. The COVID-19 pandemic and quarantine added extra pressure on the community.

Supporting CSR and teaming

Bringing local stakeholders together and leveraging on CSR actions while facilitating cooperation and creating a common agenda to inspire further actors in supporting the community initiatives can link to the existing processes of co-creation and community building. Involving local companies and their CSR action in the public agenda can increase the sense of belonging for them, their customers, employees and the general public.

<p>Generation gap</p> <p>The elderly generation (The Silent generation and the Baby Boomers) who have "built" the city and are retired or close to retirement have a limited social activity and even smaller role in the community. Gen X and Y, the most active, look for high quality of life and desire to take advantage of the small-city, surrounded by nature specifics. Gen Z, driven by technology and rapid change are burning bridges rather than building them, so that the city has great difficulty in fulfilling everyone's needs and priorities. In the city and workplace, the generation gap is putting pressure on the business ecosystem.</p>	<p>Bridging and facilitation</p> <p>Though much of the city's historical economic greatness comes from industries long gone, senior expertise is present and unused. Knowledge transfer from the elderly and senior experts are absent. The city, through impact bonds can leverage on seniors to share know-how, crafts, history, art or community spirit towards the young, while the younger generation (including <i>alpha</i>) can bring back a sense of usefulness and self-reliance to the elderly, facilitating their process of learning about active ageing and transforming it into ubiquity.</p>
<p>Brain-Drain</p> <p>Better wages, ubiquitous opportunities, countless jobs and better universities make the magnet neighboring city of Cluj Napoca the closest attraction for Baia Mare's smartest young people. Adding the <i>attraction of the west</i> and Romania's legislative system opposing innovation, this justifies not only the decrease in population, but also the low appetite in entrepreneurship, posting the Maramureş county on a shameful second lowest average income position in the county.</p>	<p>Creation of opportunities</p> <p>The <i>GIG economy</i>, based on flexible, temporary or freelance jobs often involving digital platforms linking customers and providers, can be a breather for the city. With the COVID-19 pandemic and remote work habits, workers, businesses, and consumers would benefit by making work more adaptable to the needs of the moment and demand for flexible lifestyles. New legislation for Digital Nomads and <i>kurzarbeit</i> can be leveraged to make the city attractive for its appealing vicinity.</p>
<p>Reduced youth employability</p> <p>Part of the Technical University of Cluj Napoca the North University Centre Baia Mare prepares engineers and scientists for the local economy. Though progress in enhancing scholarship programmes has been achieved the city's academic performance is far from being a good practice example. Limited employability and preparedness of students for jobs and entrepreneurship are bottlenecks towards the city's smart and sustainable development. Digital literacy, creativity, applied research, foreign languages and soft skills are amongst the points employers require from academic programmes.</p>	<p>Training and business 2 student interaction</p> <p>Brokering cooperation between business and academics, supporting spin-offs and startups and providing facilities for high-added value domains and jobs is one of the city's tools for transformation. Small steps approaches are designed to raise trust between actors. Facilitation of trainings through public resources, development of workshops and meetings through the SPIRE Hub or other programmes are a potential answer to the reduced youth employability issue.</p>
<p>Low entrepreneurship appetite</p> <p>Despite the national programs for entrepreneurship (Startup Nation, Startup Plus and others), and the city's openness towards supporting such initiatives, the city is characterized by a reduced number of startups, spin-offs and generally new companies. A lack</p>	<p>Mentoring</p> <p>Cooperation with entrepreneur and business associations leveraging on success stories should bring experienced businessmen and younger ones to a table promoting cooperation and providing example. Mentoring and venture capital on a local level, corroborated with local</p>

of cooperation, high risks of failure and no safety nets prevent young people from starting a business, especially in the COVID era, as the city represents a limited potential market size for goods and service.	programmes designed to provide seed money, minimis aid or safety nets should help a new generation of entrepreneurs to confront risks and take advantage of the digital age opportunities.
Lack of internationalization Traditional business in the city is at disadvantage due to poor connectivity with transport networks. Limited skills in foreign languages and difficulties in addressing international markets through the participation in local internationalization events, lack of awareness regarding the advantages of globalization and the European (digital) Single Market reduce the competitiveness of local companies keeping short value chains and missing opportunities. Expertise in international cooperation in the private sector is limited, as are cross-border projects and cooperation.	Creating opportunities and awareness The administration has a rich experience in cross-border approaches, having a strong partnership network, both in the neighboring Ukraine and western Europe, acquired through Urbact, Interreg and CBC projects. Partnership with local actors showing them opportunities of cross-border teaming and providing contacts, opportunities for learning and doing business, as well as facilitating good practice examples, work visits and trust transfer.

Change during the project

The COVID-19 pandemic had a disruptive effect on the SIBDev delivery. Uncertainty, restrictions and lockdowns were a barrier towards ULG meetings and consultations. Online activities are, in this respect a poor replacement, as it is difficult to provide examples and human interaction is limited. Introducing a completely new concept to an unprepared audience raised further challenges to the implementation team. This lead to frequent changes in the structure of the ULG and the meeting participants. A (initially undesired) sectorial approach replaced the general ulg approach.

As introducing people to Social Impact Bonds has proven difficult, Baia Mare decided to create a SIB Game, designed to use play for educational purposes.

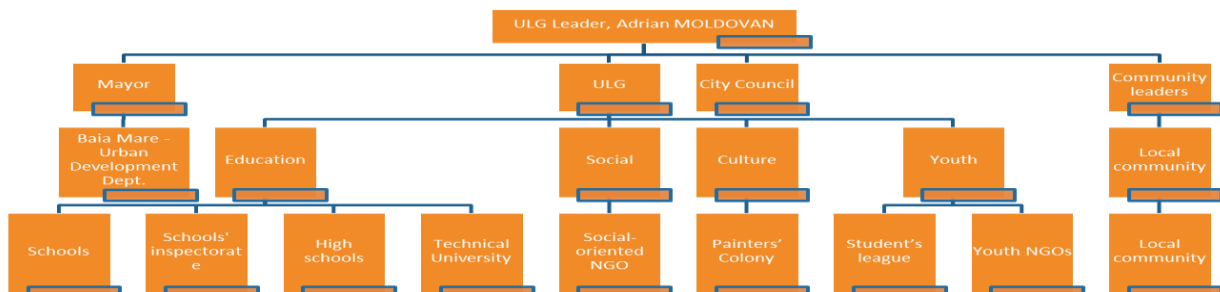
Implementing SIBS was initially considered an extension of the participatory budgeting methodology, while the SIB was considered mostly a process. The later view of the city is that SIB is rather a tool for improving the city and that its cross-domain ubiquity can contribute to strengthening the local community and be aligned with Baia Mare's Smart City Policy.

Initial vs current SIBdev Focus

<ul style="list-style-type: none"> • Making public spending more efficient • Engaging citizens • Change of local funding - strategy and a methodology for a new model of local funding policies for the citizens and NGOs in the areas of youth, culture and education, community and innovation • <i>Redesigning participatory budgeting</i> • Focus on territorial dimension (Neighborhoods / Districts) 	<ul style="list-style-type: none"> • Engaging citizens • Extension of local funding – funding actions on climate-change mitigation, innovation and environmental impact • Boost youth employability and Active Ageing • <i>Transforming SIB into a city co-creation tool</i> • Support environmental action
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Process

The Urbact Local (Support) Group




ULG Meetings 1 & 2

Theme	Education	Social	<i>Issues to be solved using SIBs</i> <ul style="list-style-type: none">• the high number of road accidents• lack of involvement of young people in community development• low level of school performance in some educational institutions• lack of activities for the elderly• lack of activities for young adults (aged 25-35)• improving the situation of vulnerable / disadvantaged people in education / health• lack of counselors in orienting young people in careers• socio-professional inclusion of young people leaving the institutional protection system• professional orientation programs adapted to the demands of work and personal interests• lack of vocational schools• reducing school dropout• endowment of educational systems• lack of personal development programs• waste recycling• the introduction of Roma people into society
Date	18 February 2020	20 February 2020	
Participants	11 Representatives of schools, high schools and the municipality	13 Representatives of NGOs in the social field, local public social services, local university, municipality	
Topics	<ul style="list-style-type: none">• What are Social Impact Bonds• How Social Impact Bonds work• SIB projects worldwide• Suggestive examples• Important steps in measuring social impact• The importance of measuring social impact		
			

ULG Meetings 3, 4 & 5

Theme	(re)Shaping ULG	SSA	ULG @Covid	Issues to be solved using SIBs <ul style="list-style-type: none">• High dropout rate• Unemployed young people• Student's practice (mandatory internship) too short and ineffective• Poorly developed socio-emotional skills• Entrepreneurship among young people is not encouraged• The difficulty of putting into practice what has been learned• Lack of jobs in which he could experiment with the idea• Rewards-benefits system for people who contribute well to city life (eg cycling, not driving)• The departure of young people to work in other localities and counties• Poor infrastructure in the campus area• Lack of jobs for young people• Inactive participation• Road infrastructure
Date	03.06.2021	20.07.2021	13.10.2021	
Participants	9	32	7	
Solutions found	local university faculty members, students (representatives from the Student Association), local business environment representatives, Chamber of Commerce representatives, Baia Mare Municipality			
	<ul style="list-style-type: none">• Identifying the trends of the business environment• Knowledge of the economic structure of the city• Creating specific educational programs• Innovation of teaching methods• Better promotion of job vacancies and job-specific benefits and requirements• Informatics• Organizing debates• Analysis and survey of young people• Participation in project actions• Implementation of actions to increase the cultural and artistic part of young people through workshops, exhibitions, concerts, theatrical art actions, implemented by local artists			



ULG Meetings 6 & 7

The meetings were dedicated to introducing the SIBDev Game to students in the North University Centre – Technical University of Cluj Napoca, as well as the ULG.

Summary of main aspirations for the Integrated Action Plan

- **Engaging citizens**
- **Extension of local funding – funding actions on climate-change mitigation, innovation and environmental impact**
- Boost youth employability and Active Ageing
- *Transforming SIB into a city co-creation tool*
- Support environmental action

The sustainable development for the city implies the creation of a synergy between the IAP for SIB implementation and the city's Smart City Strategy (under development). The TUVienna approach for objective definition, assessing the potential impact of SIB for improving the local policies and creating engaging action on 6 topics of urban development, respectively economy, environment, governance, living, people and mobility has been chosen.



SIB 4 SMART

Smart cities (SCs) are a recent but emerging phenomenon, aiming at using high technology and especially information and communications technology (ICT) to implement better living conditions in large metropolises, to involve citizens in city government, and to support sustainable economic development and city attractiveness. The final goal is to improve the quality of city life for all stakeholders (Dameri and Benevolo 2015).

Smart cities—are like organisms that develop an artificial nervous system, which enables them to behave in intelligently coordinated ways [42]. The new intelligence of cities, then, resides in the increasingly effective combination of digital telecommunication networks (the nerves), ubiquitously embedded intelligence (the brains), sensors and tags (the sensory organs), and software (the knowledge and cognitive competence). (Chourabi, et al. 2012)



A Smart City is a city well performing in 6 characteristics, built on the 'smart' combination of endowments and activities of self-decisive, independent and aware citizens. The domains are Smart Economy, Smart Mobility, Smart Environment, Smart People, Smart Living and Smart Governance. (Technical University of Vienna, 2014)

Living Labs and the European Network

Living Labs are user-centered, open innovation ecosystems based on systematic user co-creation approach, integrating research and innovation processes in real life communities and settings. The European Network of Living Labs (ENoLL) is a global network of open innovation ecosystems (Living Labs) that places people at the center of product and service development and innovation.

The network and its members provide innovation services for small and medium-sized international companies, the public sector, organisations and citizens. ENoLL promotes the development of business and industry and the creation of tax revenue and jobs.(European Network of Living Labs 2020) . Living Labs are “physical regions or virtual realities, or interaction spaces, in which stakeholders form public-private-people partnerships (4Ps) of companies, public agencies, universities, users, and other stakeholders, all collaborating for creation, prototyping, validating, and testing of new technologies, services, products, and systems in real-life contexts.” (Leminen, 2013)

Concept

Starting from the Smart Cities definitions and aiming at becoming a living lab, Baia Mare aims at designing and implementing a Social Impact Bonds strategy that supports the smart and sustainable development in a cross-domain approach that targets all 6 dimensions recommended by the Technical University of Vienna.

A trans-disciplinary approach for achieving sustainability and increasing resilience within the city, designed to strengthen cooperation outside of the traditional boundaries for People-Public-Private-Partnerships. Social Impact Bonds have the potential of becoming a key instrument to strengthen the local Smart Sustainable Ecosystem, facilitating social innovation and promoting cooperation for a better city.

On a **Smart Governance** level, SIBs are a policy upgrade transposing the city from a provider's perspective to that of a facilitator or broker. The local stakeholder's consultation provides a clear view on the pressing issues the city and its citizens are facing. Investors and NGOs provide smart, innovative and optimized solutions while owning the risk of failure. City finances are better spent. The city can then take ownership for the solutions proven successful or extend contracts. The community members (Investors, NGO, civil society and general public) can learn from the model, create new business models or charity initiatives.

Smart Living envisions the citizens quality of life and lifestyle. Urban commons usage, co-creation of public spaces, tactical urbanism, carbon-neutral neighborhoods, local support groups smart playgrounds or IoT-based community services can be part of the SIB initiatives for Smart Living. Starting there, new educational frameworks and school2city cooperation to stop the brain drain and outward migration, lifelong learning programmes including resilience and sustainability are part of the SIB initiative for **Smart People**.



Smart Mobility on an urban level, can be enhanced by SIB-like initiatives through promoting alternative transportation such as car sharing, car pooling, bike and e-bike usage.

Smart Environment. By supporting the city's iLEU reward system or bringing together actors working on environmental aspects, climate change mitigation or adaptation or the activation of the city's blue-green corridor, the community can achieve environmental sustainability. Reduce-Reuse-Recycle oriented companies and organizations can be supported from a nature-protection point of view, while developing new business models for a **Smart Economy** approach. A funding scheme for startups in creative or innovative industries, with high-added value products or services is the tool that can save the city from the median-income trap threatening most developing municipalities in eastern and central Europe.

Key Objectives

- KO1 – SIB4Smart Governance

Increased community involvement in public decision making

Public trust in local and national governments in Romania is at a historic low. Cooperation and participatory approaches are conducted in some cities in spending irrelevant budgets. Public-Private Partnerships are often regarded with distrust and suspicion, while people are most-often left out of the participatory approaches. 3 years after its debut as a Social Innovation booster in Baia Mare, Participatory budgeting was restarted in 2021, with limited trust and interest from citizens. The city's eGovernment initiative of digitalizing most of the interaction between the City and Citizen, in Urban Planning, Social Care, Petitioning, Reporting local issues, Mobility, Taxation, Permits and Payments is receiving support from the local community, as it reduces the bureaucratic burden for citizens and companies alike and creating premises for more public involvement in local governance.

Expanding local funding according to Social Impact Models

Baia Mare goes with the mainstream Romanian trends, financing sports, youth and cultural programmes according to Law 350/2005, leaving unexplored potential towards innovation, active ageing, jobs, soft skills, increased employability, reducing gaps or environmental action. Social Impact Bonds can find support (seed money) through the same legislation, while the instrument is sufficiently dynamic to empower the local community to hack the system and generate open, innovative ideas towards a better connected, more socially responsible and economically savvy community. As funding innovation is counter-intuitive for the local administration, the tool can be a booster if applied.

- KO2 – SIB4Smart Environment

Promote environmental-friendly action

Social Impact Bonds can solve historical city problems through small-scale actions of green renewal, phytoremediation or even supporting the iLEU local reward system. Though the city's transformative process from one of Romania's most polluted to a green champion has started, big steps are still required. With a good built-to-green ratio, the City of Baia Mare uses satellite imagery to map and

monitor green areas. Some (elderly) citizens care for gardens outside their homes or apartment blocks but need support and encouraging from the city.

Support companies and individuals promoting repair-reuse-recycle business models and action

Waste has become a big challenge for the environment and humans in modern times. Our water bodies, our grasslands, our fields, our public spaces; all of them are being affected by the waste we discard. It is important to take steps for Refusing, Reducing, Reusing and knowing about Recycling at a young age. It is important to know what a community needs and what it just wants. Local companies have a strong say in this respect, as new business models and the creation of local chains of supply-demand for service can be (re)activated. Initiatives such as "from cradle to cradle" can create value-added products or services, including engineering, product design, industrial design, etc. Cradle to cradle can be defined as the design and production of products of all types in such a way that at the end of their life, they can be truly recycled (upcycled), imitating nature's cycle with everything either recycled or returned to the earth, directly or indirectly through food, as a completely safe, nontoxic, and biodegradable nutrient. With cradle to cradle, all the components of a product feed another product, the earth or animal, or become fuel: products are composed of either materials that biodegrade and become food for biological cycles or of technical materials that stay in closed-loop technical cycles, continually circulating as valuable nutrients for industry. It could be argued that cradle to cradle is equivalent to true sustainability – through the biological or technical components used, all products become sustainable as nothing becomes non-reusable waste (Sherratt, 2013)

• KO3 – SIB4Smart People

Increase employability of the younger generation

The education system lacks the ability to fully prepare young people for modern-times economies. Entrepreneurial education, preparedness for the GIG economy or trans-disciplinary approaches are needed for the city to keep its younger generation. As the legislative process on Digital Nomads is rapidly advancing, and the trend of living in a country (or city) best suiting one's personal preferences and needs is a growing trend, Baia Mare can leverage on SIBs and its surroundings to enhance its attractiveness.

Stimulate ActiveAgeing among retired people

Many cities have elderly digital literacy programs. However, few Romanian cities actively involve elders as resources for forwarding knowledge or supporting the young in choosing a career, acquiring new skills or learning crafts. Through its Social Aids programmes, Baia Mare already offers the elderly technological support and remote monitoring, to keep them involved in the community.

• KO4 – SIB4Smart Mobility

Boost alternative transport within the city

The United Nations have emphasized in their World Urbanization Prospects report that population growth and rapid urbanization are important trends in many regions around the world, and especially in developing countries. These megatrends trigger increased urban transport, pollution and energy use for urban transport, in particular of fossil fuels, the latter being one of the significant contributors

to climate change. (Özdemir et al, 2015). The city of Baia Mare is struggling between creating more pedestrian passageways, public transport and bike lanes vs keeping change to a minimum and increasing parking spots. Traffic restrictions face strong opposition from part of the community which needs to be educated for sustainability and incentivized to accept change towards zero emissions urban mobility. An innovative approach, based on outcomes and quick wins is needed and achievable via SIBs.

- **KO5 – SIB4Smart Living**

Co-creation of public spaces

A central notion in urban design, urban interaction design, and placemaking is the user of public space, the occupant, resident, citizen, bystander, passer-by, explorer, or flâneur. A SIB supported by design thinking methodologies can enrich the modes in which the local community sees public space, from several perspectives, seeing the “urban user” and the implications that follow: the user as city resident; the user as consumer of city services; the user as participant in the city’s community consultations; the user as co-creator in a collaborative approach to citymaking, and finally; the user re-thought as part of a much larger and more complex ecosystem of more-than-human worlds and of cohabitation – a process that decentres the human in the design of collaborative cities. (Foth,2017

- **KO6 – SIB4Smart Economy**

Local development fund for Start-ups functioning as SIBs

Venture Capital targets innovative, slightly larger cities. Local development funds miss on the localization and local specific for small business and startups, while the banking system is by definition risk-averse. The policy of attracting investors has also proven limited results in Baia Mare. Using local (and imported) capital for supporting young entrepreneurs, learning firms for beginners, and providing mentoring and networking requires facilitation from both local associations and the community (administration). SIB can target an increase in (innovative) entrepreneurial initiatives, encouraging successful business-people to support the aspirants. Using local funding, creating a de Minimis scheme or integrating the methodology in proposals leveraging on existing national funding schemes can rely on the SIB mechanisms to achieve and measure success.

Actions and activities

Increased citizen involvement in public decision making	
Responsible: The City	Description: Strengthening the bond between the city's administration and its citizens, through participatory processes and involvement in decision making is a necessary component for a modern sustainable city. A general (national)mistrust in the authorities, effectively illustrated by Romania's extremely low COVID-19 vaccination rate needs to be tackled at city-level through small scale actions meant to build bridges amongst different stakeholders. From this perspective, SIB's are a complex tool involving a large variety of local actors that would leverage their knowledge skills and common sense towards a common goal under a common relevant urban topic.

Delivery Partners eGovernance solution providers, consultants, local politicians, community representatives		Estimated Value for the action N/A Funding source Local budget	
Calendar			
Reframing the Participatory Budgeting model		SEP 2022	DEC 2022
Public debate		NOV 2022	DEC 2022
City Council debate		JAN 2023	FEB 2023
IT tool modification		MAR 2023	AUG 2023
Problem & stakeholders mapping		YEARLY	
Proposal delivery		EVERY 3 MONTHS	
New policy for public funding of SIB (Local Funding Law)			
Responsible: The City	Description: Funding SIBs is a complex matter. Investors, especially in te post COVID-19 growing chrisis, are risk-adverse. Getting them on-board with a SIB needs to pass through their risk matrix as a safe investment. The city, according to existing legislation has limited means of funding a Social Impact Bond. In this respect, finding innovative funding/contracting tools needs to be compliant not only to the strict EU and Romanian legislation, but also to the Romania Court of Auditor's narrow view. Furthermore, a SIB contract needs to be unquestionably non-interpretable as DE MINIMIS aid for the receiving company / investor. One of the simplest ideas is to extend the local funding scheme (currently funding action on culture, sports and youth) to a model where impact is measured and rewarded.		
Delivery Partners NGO’s, tech provider, consultant		Estimated Value for the action 10.000 Euro, one-time Funding source Local Budget, Urbact,	
Calendar			
Framing the concept		JUN 2022	SEP 2022
Public dissemination		NOV 2022	DEC 2022
City Council debate		SEP 2022	OCT 2022
IT tool delivery		OCT 2022	MAR 2023
Problem mapping		YEARLY, 1 month	First in APR 2023
Consortium building		* 1 month	
Action delivery		6-12 months	
Evaluation		3-6 months	
Promote environmental-a action			
Responsible: The City	Description: Funding for local and national events and projects in environmental domains is available from multiple sources. However, most schemes and projects measure action rather than impact. Considering the city's history as well as large concentrations of pollutants (including heavy metals) in soil and water, and its current pollution due to traffic, and current waste disposal issues, the city needs to find innovative ways to generate climate-change mitigation and adaptation impact through changing mindsets and behaviors.		
Delivery Partners Community members, companies, NGO, cultural institutions, Ministry of Environment		Estimated Value for the action 300.000 euro / year Funding source	

		Waste management tax, UIA/SPIRE, NRRP, L350	
Calendar			
Framing the concept		JUN 2023	SEP 2023
Public dissemination		NOV 2023	DEC 2023
City Council debate		SEP 2023	OCT 2023
IT tool delivery		OCT 2024	MAR 2024
Problem mapping		YEARLY, 1 month	First in APR 2023
Consortium building		* 1 month	
Action delivery		12 months	
Evaluation		6 months	
Support repair-reuse-recycle business models and action			
Responsible: The City	Description: Create a DE MINIMIS aid scheme for companies implementing the R-R-R business model. Create an incentive / reward system for citizens to promote R-R-R behavior. Correlate with the SPIRE Hub in the city center and SPIRE activities.		
Delivery Partners		Estimated Value for the action	
Venture Capital (optional)		500.000 euro / year	
Consultant; local companies, local producers in the non-agrifood sector		Funding source	
		Local Budget, ERDF – Human Capital	
Calendar			
Framing the concept		JAN 2022	APR 2022
Public dissemination		JAN 2022	JUN 2022
City Council debate		APR 2022	MAI 2022
IT tool delivery		MAI 2022	SEP 2022
Call design (recurrent)		YEARLY, 1 month	First in NOV 2022
Call publishing (recurrent)		* 1 month	MAR 2023
Action delivery (recurrent)		6-12 months	
Evaluation (recurrent)		12 months	
Increase employability of the younger generation – Small Scale Action			
Responsible: The City	Description: The gap between what employers expect and require from university graduate's vs the actual skills and knowledge they poses requires a local solution. Though the university is working on general programs to increase students' and graduates' employability, they have a limited efficiency		
Delivery Partners		Estimated Value for the action	
Technical University, Youth NGO's, training providers, local companies.		8.000 euro / SSA	
		Funding source Sibdev - URBACT	
Calendar			
Framing the concept		JUN 2022	SEP 2022
Public dissemination		NOV 2022	DEC 2022
City Council debate		SEP 2022	OCT 2022
IT tool delivery		OCT 2022	MAR 2023
Problem mapping		YEARLY, 1 month	First in APR 2023
Consortium building		* 1 month	

Action delivery	6-12 months
Evaluation	3-6 months
Stimulate ActiveAgeing among retired people	
Responsible: The City	Description: Retired people in the city lack opportunities to provide their expertise (e.g. Senior Experts) or teach their crafts to the younger generation. Often their social life has a lot to suffer and participation in social events decreases with age. Seeing them as a resource rather than a needy person is an opportunity that can be leveraged through a SIB-inspired methodology.
Delivery Partners NGO targeting elderly people, Gal Baia Mare, DAS, schools	Estimated Value for the action 30.000 euro/year Funding source Local Budget, Law 350
Calendar	
Framing the concept	JAN 2025 APR 2025
Public dissemination	JAN 2025 Continuous
City Council debate	JUN 2025 JUN 2025
Competencies / needs mapping tool	JUN 2025 JUN 2026
Call for experts	JAN 2026 Continuous
Call for funding	JAN 2027 MAR 2027
Delivery of action - yearly	JUN 2027 JUN 2028
Evaluation	Continuous
Teach the concept of Impact vs Result	
Responsible: The City	Description: Operational Funding Programmes in Romania support action based on a (proposed) outcome, usually measured in simple indicators (such as number of people trained, number of trees planted, etc). However, the societal impact of these actions is rarely assessed. Social Impact Bonds should be used as an instrument for teaching local stakeholders to consider the (societal) impact of their action. Teaching a community how to "fish" rather than feeding it "fish" contributes to creating local value chains, especially linked to the knowledge economy.
Delivery Partners Trainers, NGOs, schools	Estimated Value for the action 10.000 euro Funding source Local Budget
Calendar	
Framing the concept	JAN 2022 APR 2022
Public dissemination	JAN 2022 JUN 2022
City Council debate	APR 2022 MAI 2022
IT tool delivery	MAI 2022 DEC 2022
Call design – small scale actions (recurrent)	YEARLY, 1 month First in APR 2023
Call publishing (recurrent)	* 1 month APR 2023
Action delivery (recurrent)	2 months
Evaluation (recurrent)	2 months
Boost alternative transport within the city	
Responsible: The City	Description: Promoting alternative means of transport and the use of tactical urbanism can be funded via SIBs, as such an action has the potential to increase the co-design and civic support for such action (otherwise being disliked by drivers).

Delivery Partners Police, citizen groups, NGOs,		Estimated Value for the action 12.000 euro/year Funding source Local Budget, sponsorships, Volunteering	
Calendar			
Framing the concept		JUN 2027	SEP 2027
Public dissemination		NOV 2027	DEC 2027
City Council debate		SEP 2027	OCT 2027
Problem mapping		YEARLY, 1 month	First in APR 2028
Consortium building		* 1 month	
Action delivery		12-24 months	
Evaluation		6-12 months	
Co-creation of Public Spaces			
Responsible: The City	Description: Funding Tactical Urbanism, or the creation of small, public gardens, mending squares or creating play infrastructures is one of the difficult tasks for the city. Transforming citizens in a workforce engineering, designing and implementing (smart) infrastructures can lead to budget economies in mending public space, gardens, or creating facilities for the community or its children.		
Delivery Partners Police, citizen groups, NGOs,		Estimated Value for the action 100.000 euro/year Funding source Local Budget, sponsorships, Volunteering	
Calendar			
Framing the concept		JUN 2029	SEP 2029
Public dissemination		NOV 2029	DEC 2029
City Council debate		SEP 2029	OCT 2029
IT tool delivery		OCT 2029	MAR 2030
Problem mapping		YEARLY, 1 month	First in APR 2030
Consortium building		* 1 month	
Action delivery		6-12 months	
Evaluation		3-6 months	
Boosting creativity for the local community			
Responsible: The City	Description: Baia Mare has been known for its School of Painting. Positioned in a windless depression, its blue sky inspired an entire generation of painters in the 19 th and 20 th centuries. Throughout the city’s industrial age, native creativity was used in factories and design processes, increasing the economic value of local minerals. Little use is now given to local talent and the community does not benefit from it anymore. As the city’s economic profile is shifting and people get more oriented towards a healthy, natural lifestyle, creativity can become a booster for the local healthy and better living.		
Delivery Partners Cultural institutions, Painter’s colony, NGOs, Art School		Estimated Value for the action 60.000 euro/year Funding source Law 350, sponsorships, volunteering	

Calendar			
Framing the concept		JAN 2024	APR 2024
Public dissemination		JAN 2024	Continuous
City Council debate		JUN 2024	JUN 2024
Competencies / needs mapping tool		JUN 2024	JUN 2025
Call for experts		JAN 2025	Continuous
Call for funding		JAN 2026	MAR 2026
Delivery of action - yearly		JUN 2026	JUN 2027
Evaluation		Continuous	
Local development fund for Startups functioning as SIBs			
Responsible: The City		Description: Creating the city's own capital and investment ecosystem, inspired from business angels and venture capital, with part of the risk of failure supported by the SIB. Investors would be required that selected businesses have a good percentage of success, and thereby be reimbursed for the ubiquitous failures.	
Delivery Partners Maramures Entrepreneurs Association, Digital Innovation Hub (regional), venture capital (optional)		Estimated Value for the action 500.000 Euro per year Funding source Angel Investors, Venture Capital, FEDR	
Calendar			
Framing the concept		JUN 2029	SEP 2029
Public dissemination		NOV 2029	DEC 2029
City Council debate		SEP 2029	OCT 2029
IT tool delivery		OCT 2029	MAR 2030
Problem mapping		YEARLY, 1 month	First in APR 2030
Consortium building		* 1 month	
Action delivery		6-12 months	
Evaluation		3-6 months	
Address Corporate Social Responsibility in a SIB manner			
Responsible: The City		Description: An important number of companies (both local and multinational) have a CSR policy and organize specific action. However, few of these actions are linked to city strategies or policies. Getting the companies involved in SIB, as inventors or sponsors can reduce the gap between their action and the community's actual needs.	
Delivery Partners Large(r) companies already conducting CSR activities, or, at least willing to.		Estimated Value for the action N/A Funding source Companies, Investors, Entrepreneurs	
Calendar			
Framing the concept		JUN 2027	SEP 2027
Public dissemination		NOV 2027	DEC 2027
City Council debate		SEP 2027	OCT 2027
IT tool delivery		OCT 2027	MAR 2028
Problem mapping		YEARLY, 1 month	First in APR 2028

Consortium building	* 1 month
Action delivery	6-12 months
Evaluation	3-6 months

Pilot Action

Address Corporate Social Responsibility in a SIB manner			
Responsible: The City		Description: An important number of companies (both local and multinational) have a CSR policy and organize specific action. However, few of these actions are linked to city strategies or policies. Getting the companies involved in SIB, as inventors or sponsors can reduce the gap between their action and the community's actual needs.	
Delivery partners: Technical University of Cluj Napoca, North University Centre, Baia Mare Stakeholders: Pinteazul Student's League, Local companies, Entrepreneurs.		Estimated Value for the action 7390 Euro Funding source Urbact, SIBDev Pilot Action	
Calendar			
Organizing a contest of entrepreneurial ideas		NOV 2021	DEC 2021
Research, identification and testing of social services for young people		SEP 2021	DEC 2021
Simulation of job interviews		NOV 2021	NOV 2021

Schedule

Actions are set up to be carried-out from 2022 to 2030, according to each one's calendar. The calendar is subject to change depending on the availability of funding, respectively the duration of proposals evaluation and grant signature.

Framework for delivery – Pilot Action

- Pilot Action – Youth Employability
- Scope – bridging the gap between students and companies
- Improved performance in interviews
- Better soft skills

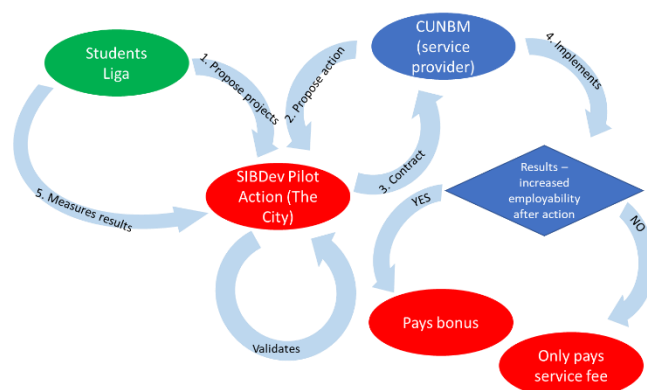


Figure 1 Pilot Action Governance Model

Social Impact Bonds Prototyping

A minimalist scheme for using Social Impact Bonds aims at delivering results and a goof practice example for the local community. A quick win experiment designed prove the societal impact and added-value of working together from local actors that share common goals and mitigate risks together improving the quality of life for students while positively impacting local companies by providing better skilled staff. The experiment aims increasing the employability of university students and graduates. The action, undertaken by the North University Centre of the Technical University of



Cluj Napoca has the Students' Liga as Proposer and Evaluator while the city is the investor. The target group of 60 students form a total of 400 monitored should have a better rate of employability. Actions undertaken include mentoring, interviews and advisory actions.

Pilot Action Results

The Pilot Action aimed at increasing the employability of the Technical University of Cluj Napoca's students. It consisted of a set of interviews with HR departments of local companies prior to and after workshops and training. The companies scored each student's employability and the SSA has proven that labor market adapted trainings increased their employability by 35%. Furthermore, it linked students with companies and it has enhanced cooperation between local stakeholders. The service provider even managed to obtain sponsorship for one of the prizes overachieving the initial expected results of the experiment.

Delivery – Foreward

The Baia Mare SIB Model

Starting from the city's experience in Participatory Budgeting and the successful delivery of the URBACT Pilot Action, Baia Mare creates its own path for transforming Social Impact Bonds in a city development tool. Considering the local constraints and need to build trust amongst stakeholders, the delivery model needs to be agile and adaptable, allowing roles to be mixed and stakeholders to be easily replaced before and during the gameplay.

The City is the facilitator and the main player and, through its competencies can take wear all hats, including the Contracting Authority, the Challenge launcher, the Innovator or the service provider (through its subordinated agencies). However, the desired role for the city is to be as little involved in the practical activities.

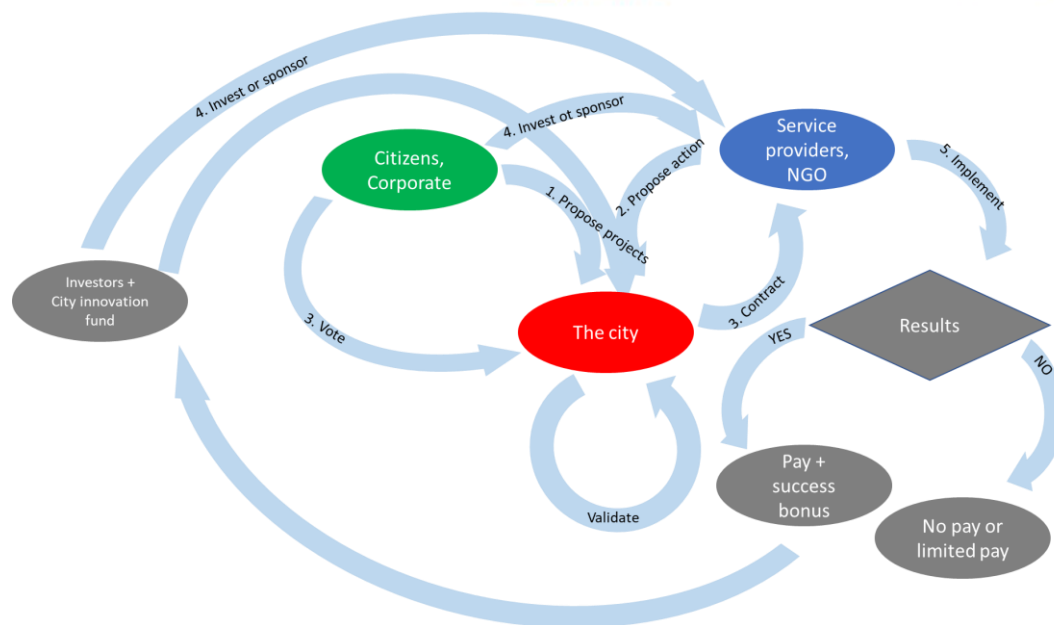


Figure 2 Baia Mare Social Impact Bonds model

Investors -Companies and entrepreneurs are the ones delivering innovative approaches and taking risks, investing into improving the quality of life for citizens. They create business models and attempt to innovate for a better, more efficient and less costly delivery of service.

Service Providers - Local NGO's or specialized companies deliver the actions needed for improving the status quo. They get funded by investors to deliver action. While not taking risks, they adopt an entrepreneurial approach, learning from investors and applying the proposed business models created by them.

Community of beneficiaries receive action delivered by the Service Providers. Their quality of life should be improved, while the city spends less and getting more value for money. **Evaluators** depending on actions proposed, the evaluators are the community, or city representatives. Partner organizations or proposers of issues and action are involved as validators on a case per case decision process.

The city's innovation department & fund

Baia Mare aims at being a facilitator of innovation within its community. As per the lack of skills in terms of innovation and innovative processes expertise, the city needs to create a group of experts – facilitators to liaise the urban initiatives with local stakeholders. Both a methodological approach, tools and funding are needed for delivering impactful community action. Leveraging on the UIA SPIRE project and its iLEU and Makersplace, a Living Lab transformation using Social Impact Bonds, will provide the ULG room for co-creation of the city and policies. The Innovation Department will offer the resources and funding for quick-win action. A lightweight department, contracting external high-profile resources for planning and delivery should optimize and boost creativity.

Resources

The implementation of the SIB model requires the city to create an innovation / sustainable development department. Its structure should have 3-4 full time employees working on innovative and trans-setorial approaches, while budgets should allow contracting domain-specific experts or innovators on a project-based approach. Financial resources include the local budget, mostly according to Romanian Law 350, while EU or ERDF funding should ensure project delivery.

Risk Analysis

Innovation is characterized by high-risks, and failure probabilities are high. Four known, major risks may affect the delivery of the IAP:

- Low involvement from the local community, mitigated by small scale actions, as well as a growing model starting from just a few informed actors, and scaling out in time.
- Lack of interest from decision makers (Local Council), mitigated by small actions and quick wins
- Lack of budgets in the post-covid and post-war European context, mitigated by a good mixture of public, private and European funding.
- Difficulties in explaining the SIB model and its importance and usefulness, while it is being compared to pay for results models present in ERDF funding. Mitigated by small scale actions, quick wins and displays of impact and good practices.

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