



Integrated Action Plan

"We will promote co-operation between Võru County organizations and share knowledge in an international network in order to move towards performance-based financing of public services (incl. Social impact units or SIB)."

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“The paradigm for financing sustainable development is shifting: how to organize future public services with less money?”

The OECD report *The Impact Imperative for Sustainable Development* (2020) says that social impact investment markets are growing in all continents across the globe, both in OECD member and developing countries. New innovative models are being tested, pay-for-success instruments such as Social and Development Impact Bonds (SIBs and DIBs) are increasingly being applied, reward enterprises with premium payments for achieving social results. The main idea is to build up smart shrinking – more effective public services to secure better outcomes for society with less public money.

1.1.Socio-economic background

Estonia is facing changes related to the aging and decreasing of society. According to estimates, the natural increase of the population in Estonia will remain moderately negative until 2035. The change in the population of Estonia in the future will largely depend on the relationship between immigration and emigration. According to the Estonia 2035+ main scenario, the population of Estonia will be approximately 1.305 million in 2035; if migration flows are balanced, the number will be somewhat smaller. By that time, one out of every four people living in Estonia will be 65 years old or older, while the number of working-age people (15–64) will significantly decrease. The changes caused by the decrease and aging of the population are having the greatest impact on Ida-Viru County, South-Estonia and Central Estonia and regions further away from the centres. According to the forecast, the population of Tallinn and Tartu (and the respective counties) will continue to grow.

Demand for elderly and vulnerable group services is increasing, which in turn puts pressure on local government budgets; and raises the need to increase the budget for services. The sustainability of the age structure of all local governments in Võru County is questionable, as the whole the value of the demographic labour market pressure index in the county is less than 1. During the period 2007-2017 the value of the index has decreased by -0.25 points, falling short of the country by -0.13 points in 2017 to the average. For local governments the value of the labour market pressure index to the growing pressure on the working age population. The gap between the opportunities of the economy and the labour market and the needs of the social protection system is in Võru one of the largest in Estonia.

1.2. County profile

Võru county is a rural area situated in southern Estonia, close to the Russian and Latvian border. Each of its five municipalities is spread out across its geography. The population density is approximately 13 inhabitants per km². Võru county is a small region, it has only 36 000 inhabitants. Compared with another Estonian regions, Võru County is aging faster than the Estonian average, with a declining population and an area with major health and livelihood problems. Sustainability gap between economic and labor market opportunities and the social protection system of Võru county is one of the largest needs in Estonia. The development of active communities in Võru County is significantly influenced by population density. Active people concentrate on a rather than a village basis and keep in touch surrounding communities. There are more than 250 villages with less than ten inhabitants, or 46% of them all from the villages. Võru County is also characterized by the existence of multicultural spaces and traditions. We have two indigenous cultural heritage, which are also represented in the large cultural community (Seto and Võro).

The population of Võru has been decreasing significantly over the last decade (by 8.46% between 2007-2017). It has one of the oldest populations in Estonia, the lowest rate of healthy life years and one of the highest rates of poverty. Some of the challenges in that region include the increasing percentage of elderly people and disabled people. The proportion vulnerable group of elderly people (over 65 years of age) has increased, amounting to 21.6% of the population (compared to 19.3% in the Estonian population); the proportion of disabled people is higher in Võru county than in Estonia on average, forming 21.9% (Statistics of Estonian Social Insurance Board 2018), whereas across Estonia the proportion of disabled people is 11.4% of the population.

In recent decades, growing social and spatial inequality has been prevalent in Central and Eastern European countries. In Estonia, too, regional inequalities have increased, and large parts of the settlement system – once economically and socially viable small towns and rural areas – have become peripheral within the country. As most jobs are in major urban centres, rural exodus has become commonplace, especially among the younger generation. It has thus become increasingly difficult to ensure equal availability of vital services throughout the country, as the need for services decreases due to the parallel processes of demographic decline and ageing in Estonian peripheries.

The biggest challenge for to Võru county is to come from one the provision of public services and the creation of new jobs, to curb population decline. One of the challenges the countys harmonization of the wage level with the Estonian average.

Figure 1.1.

Regional polarization: population change and distribution of gross domestic product by counties in 1995 and 2017:

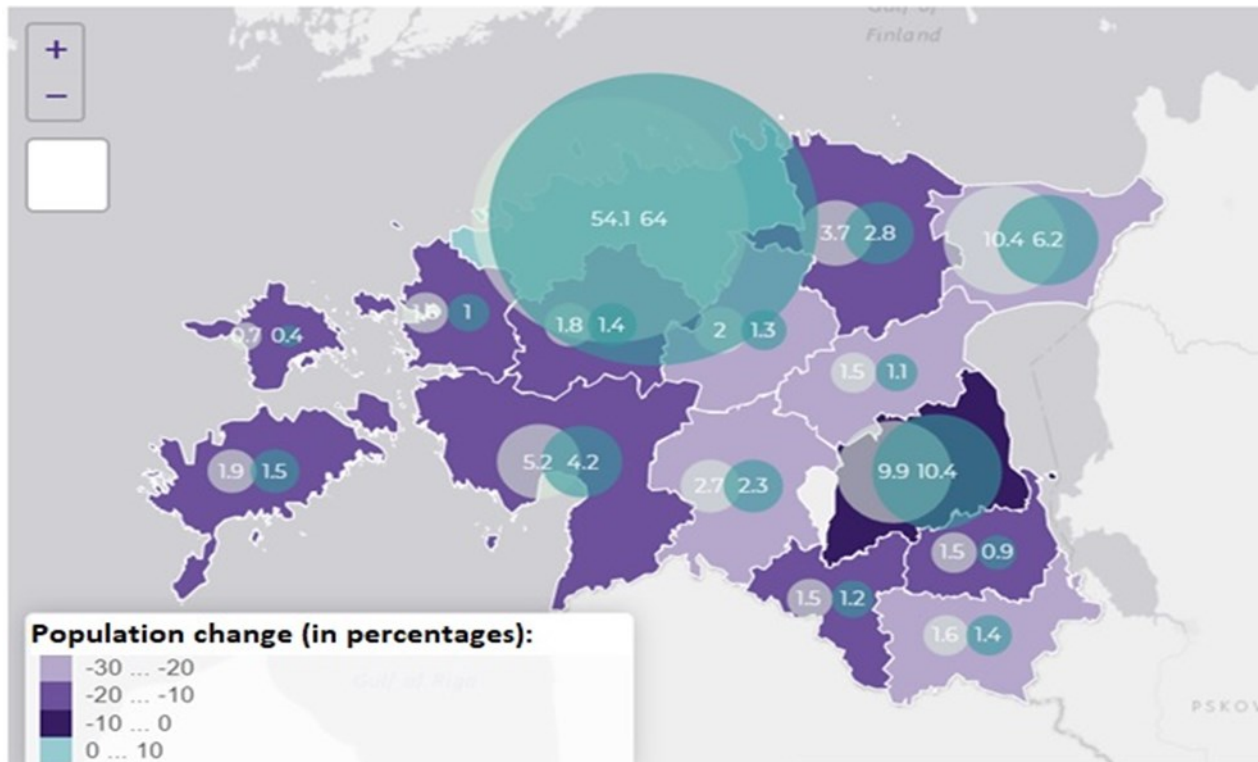


Figure 1: Regional polarization in Estonia. Population change and distribution of gross domestic product by counties in 1995 and 2017. Estonian Human Development Report 2019/2020, 'Spatial Choices for an Urbanised Society'

1.3.Võru County Development Strategy 2035+

County's goal is to meet growing demand in the face of dwindling resources solutions and services. The priority in the field of well-being is to support each person's self-fulfilment at every stage of their lives. It is important to motivate people to give according to their ability's maximum contribution to the functioning of society that corresponds to their abilities. In addition, it is necessary to create a sense of security that helps successfully deal with difficulties or crisis situations. Human well-being depends at most on three factors: community relations (social cohesion), education (talent-enhancing lifelong learning) and employment (self-fulfilment). Public sector, in collaboration with partners from the private and third sectors, creates equal opportunities for everyone to ensure these factors and to make choices that support health and well. To ensure the long and full life of our people, it is important that all the leading partners of the county consider welfare issues as a strategic area, that the organization of the public sector responds to rapidly changing circumstances and involves the community.

One of the most important business support structures in the county is the Development Center of Võru County. The aim of the activities of the foundation is to integrate Võru county and region and business systematic development, supporting the private, public and third sectors with various services organizations and individuals. The task of the Development Center is to support the county entrepreneurs, local authorities, and civil society in the region 's business environment; and projects

to improve the quality of life. It is also promoted by the organization entrepreneurial activity, coordinates the development of tourism services, and advises community members cooperation networks.

The development of the county's business is also supported by the LEADER regional action groups NGO Võrumaa Partnership Council, which connects the three rural municipalities of Võrumaa (Antsla, Rõuge and Võru rural municipalities). There is also Piiriveere Leader, whose membership includes Võru rural municipalities of Setomaa rural municipalities.

According to the Võru County Development Strategy 2035+ the main goals in the field of welfare are:

- ❖ Our people live a long and healthy life (reduce the difference in healthy life years compared to the Estonian average).
- ❖ Our people find themselves - fulfilment throughout their life cycle, incl. to increase the employment rate elderly (70+), young people (15-24) and people with reduced working capacity.
- ❖ Equal opportunities and cohesive communities (reduce rate of material deprivation).
- ❖ We support the preservation of a strong regional identity and respect for life attitudes that help to build a cohesive society and create one for everyone a sense of belonging and necessity.
- ❖ We value healthy choices and reduce health resulting inequalities.
- ❖ Equal opportunities for everybody. We develop public space, services, and opportunities for self-realization so that they consider people's specificities and needs and support different social groups (young people, the elderly, people with special needs, families with children, single parents, carers, etc.) employment.
- ❖ The community as a partner. We involve the community in the creation and delivery of public services and give communities greater freedom and responsibility for people's well-being.
- ❖ Caring municipality. Availability and quality of social welfare assistance to ensure the availability of staff throughout the county and to maintain and / or we develop infrastructure and technological solutions.
- ❖ Available health care. The availability of high-quality health care services is guaranteed in primary health care centres, family medicine centres and the South Estonian Hospital.
- ❖ Smart management. We support rapid development and innovation in the field of well-being.

1.4. A social entrepreneurship and their ecosystems within the Estonian context

The supply side of social finance in Estonia is currently very limited. The 2020 OECD policy report on Estonia draws the conclusion that 'social enterprises, particularly in the form of non-profit associations (amounting at as many as 93% of the total), and foundations do not have access to public business support programmes and financial schemes'. A limited amount of public financing

is available through the ‘National Foundation of Civil Society’ (NFCS), which is the main public organisation which provides grants to civil society (OECD, 2020).

According to the analysis report *Investment Needs and Investment Readiness Amongst Estonian Social Enterprises* (2022) refers that there is growing interest in social enterprises which is based upon their ability to contribute to employment levels, entrepreneurship, social inclusion, public service quality, local development, and environmental protection. Social enterprises are undergoing a period of rapid growth right now, not only due to new policies which are being introduced at the European level, but because many initiatives, both old and new, are producing goods and services which are of general interest. There is a great variety of deliverables which these enterprises can offer, with the goal of generating positive social impact such as in terms of being able to offer job opportunities to vulnerable social groups, provide mental or physical care services, or to offer general solutions to a wide range of societal challenges which are a focus of the United Nations’ ‘Sustainable Development Goals’. Social enterprises are finding innovative ways in which to meet the needs of a society by filling in the gaps in, perhaps, the public or private sectors, and at the same time being a hybrid construction both of those sectors and civil society in general (European Commission, 2020).

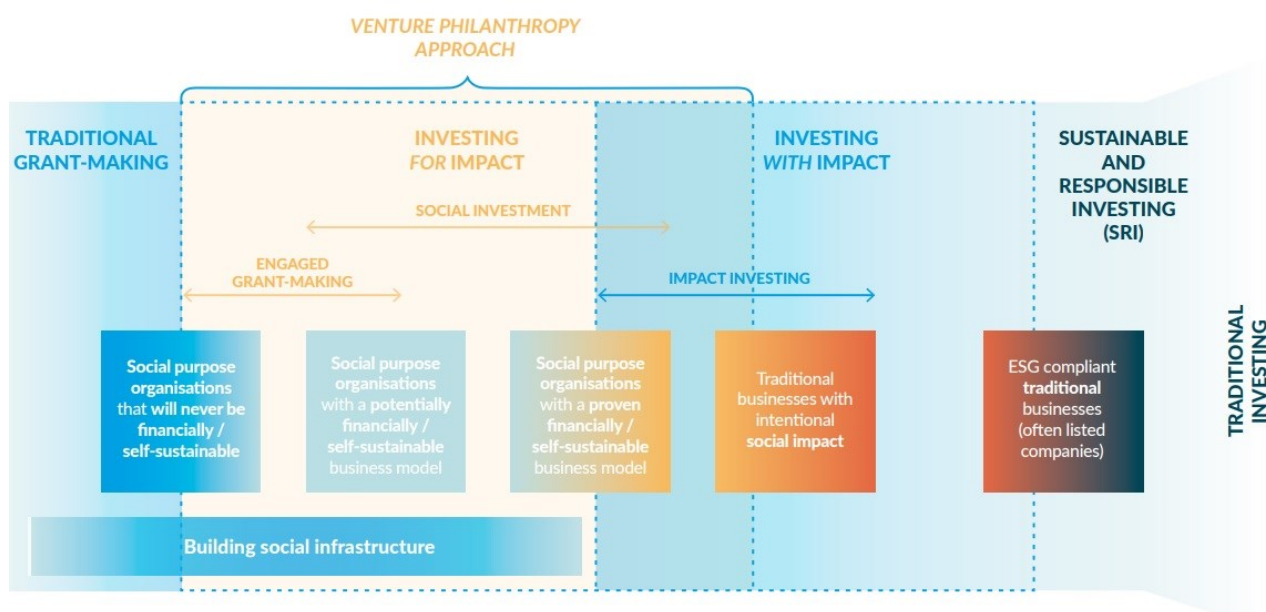


Figure 2: different types of business model for the two impact strategies, EVPA Knowledge Centre (2018): ‘Impact strategies: how investors drive social impact’, EVPA.

The diagram above demonstrates the different types of business models which have been established both for investing in order to generate impact (in terms of engaged grant-making), and investing with impact (impact investing).

Estonia is in a situation in which expectations of government intervention when it comes to being able to resolve various social problems are ever-increasing. Uncovering solutions to these problems is becoming ever more complex. There is clearly a need for new, more effective solutions and cooperation between stakeholders in society: in other words, social innovation (Good Deed Foundation, 2015). The effective support of social innovations needs to consider the funding and administrative needs of social entrepreneurs. However, social entrepreneurs are far from the only

relevant players when it comes to social innovation. Members of the general public, along with established organisations and networks, play a central role. If governments are interested in resolving societal and/or environmental problems and creating positive impact through cross-sector cooperation, they would do well to recognise and support this diversity and richness when it comes to social innovators, supporting their entire ecosystem and collective impact orientation. Supporting these effectively requires an ambitious and multidimensional form of financial architecture (Centre for Social Investment, 2021). When taking a deeper look at the supply side of social finance in Estonia, one can see that it is currently very limited. The 2020 OECD policy report on Estonia draws the conclusion that ‘social enterprises, particularly in the form of non-profit associations (amounting at as many as 93% of the total), and foundations do not have access to public business support programmes and financial schemes’. A limited amount of public financing is available through the ‘National Foundation of Civil Society’ (NFCS), which is the main public organisation which provides grants to civil society (OECD, 2020). However, as has been seen by the ‘Estonian Social Enterprises Network’ (ESEN) within the context of their contacts with financing institutions and investors, there seems to be a growing degree of interest in social impact investment. Naturally, these investors differ in regard to the extent to which the financial return is still important to them when making a social investment, i.e. the expected financial/social return ratio of potential projects. Another factor which can create positive overspill for social enterprises is the discovery which the general ‘traditional’ start-up scene in Estonia is vibrant, full of various initiatives, networks (such as ESEN), funding opportunities (such as ‘Limitless Impact Investments’, the NFCS, and the Good Deed Impact Fund), incubators, and accelerators such as ‘NULA’, ‘Ajujaht’, Startup Estonia, and Buildit (OECD, 2020).

1.5. Social innovation

Innovation is a term that is widely used, especially in the business field, and aims to increase the revenue and profitability of innovative, tailor-made services and products. Social innovation has similar goals, but this is key to developing the cohesion of citizens and communities. The aim of social innovation is to improve people's well-being, to push for stronger relationships in the community and to create a better balance for society to interact.

Adoption of a new idea, behavior, or product (i.e., "innovation") does not happen simultaneously in a social system; rather it is a process whereby some people are more apt to adopt the innovation than others. Researchers have found that people who adopt an innovation early have different characteristics than people who adopt an innovation later. When promoting an innovation to a target population, it is important to understand the characteristics of the target population that will help or hinder adoption of the innovation. There are **five established adopter categories**, and while the majority of the general population tends to fall in the middle categories, it is still necessary to understand the characteristics of the target population. When promoting an innovation, there are different strategies used to appeal to the different adopter categories.

1. **Innovators** - These are people who want to be the first to try the innovation. They are venturesome and interested in new ideas. These people are very willing to take risks, and are often the first to develop new ideas. Very little, if anything, needs to be done to appeal to this population.
2. **Early Adopters** - These are people who represent opinion leaders. They enjoy leadership roles, and embrace change opportunities. They are already aware of the need to change and so are very comfortable adopting new ideas. Strategies to appeal to this population include how-to manuals

and information sheets on implementation. They do not need information to convince them to change.

3. **Early Majority** - These people are rarely leaders, but they do adopt new ideas before the average person. That said, they typically need to see evidence that the innovation works before they are willing to adopt it. Strategies to appeal to this population include success stories and evidence of the innovation's effectiveness.
4. **Late Majority** - These people are skeptical of change, and will only adopt an innovation after it has been tried by the majority. Strategies to appeal to this population include information on how many other people have tried the innovation and have adopted it successfully.
5. **Laggards** - These people are bound by tradition and very conservative. They are very skeptical of change and are the hardest group to bring on board. Strategies to appeal to this population include statistics, fear appeals, and pressure from people in the other adopter groups.

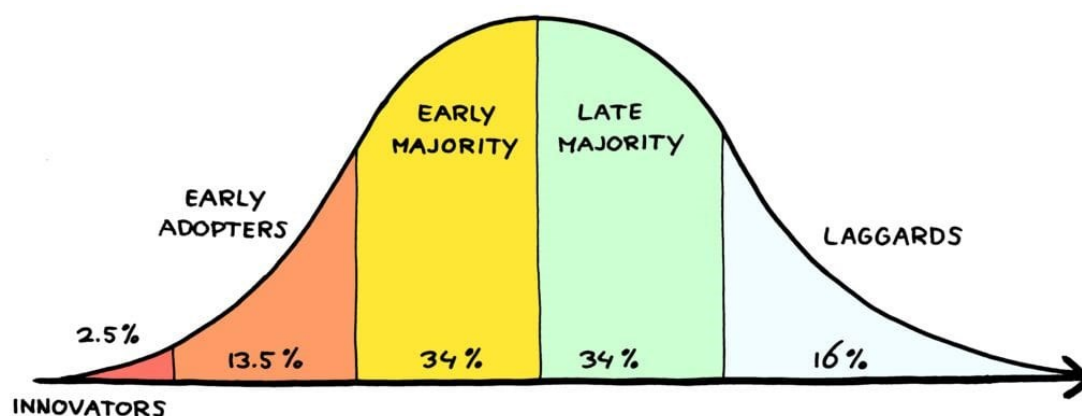


Figure 3. Diffusion of Innovation (DOI) Theory, author E.M.Rogers in 1962.

Diffusion of Innovation (DOI) Theory is one of the oldest social science theories. It originated in communication to explain how, over time, an idea or product gains momentum and diffuses (or spreads) through a specific population or social system. The end result of this diffusion is that people, as part of a social system, adopt a new idea, behavior, or product.

What is a Social Impact Bond?

According to the OECD's 2016 SIBs State of Play report, SIB is defined as "a contract with the public sector or governing authority, whereby it pays for better social outcomes in certain areas and passes on part of the savings achieved to investors". They use private sector investment to finance social projects. If a project achieves specific pre-agreed results, i.e. an improved social outcome that generates a cost saving, the government (this can be local or national) pays the investors with the money saved. If a project doesn't achieve its contracted outcomes, the investors lose their money, and the government pays nothing. Regarding the challenge of a lack of innovation, SIBs have the potential to solve this by creating room for innovation, transferring financial risk to the investor and away from both commissioner. The main objective of SIBdev is to improve public service delivery

amongst European cities by increasing their knowledge of and use of SIBs. This has the potential to contribute significantly to all three of the Europe 2020 strategy's priorities due to the cross cutting nature of SIBs. SIBs can improve outcomes in a wide range of situations, e.g. employment, social inclusion, and health. The impact-based financing model of services do not pay for the provision of services, but for the impact of the services, so the goal of the SIBdev investment model is to increase the effectiveness of social problems.

1.6. Policy context

The region and Võru county needs balanced knowledge-based approach that takes into account regional specificities and needs and reduces socio-economic inequalities in different regions, and supports rural liferegions will help to cope with the urbanisation and demographic changes. Social innovation and SIBs are good methodologies for intervention to

Service ecosystem around people with dementia and their informal caregivers is fragmented and under the governance of two systems – healthcare and social care, and different levels – state and local level, which results in avoidable costs for service coordinators and sub-optimal quality of services offered. How to provide human-centric integrated services and care? How to empower the target group to be an active partner in care provision?

Currently, in Estonia, social services are administered both at the central government level through the Social Insurance Board and by 79 local municipalities. The welfare of the elderly is delegated to the local level. Some interrelated support services are also provided through the Estonian Health Insurance Fund (EHIF) and the Estonian Unemployment Office. Healthcare services (primary, specialist, dental and nursing care) are administered at the central level through EHIF by contracting with private partners. These different systems tend to be based on different operating principles and financing systems, use separate application procedures, and lack a comprehensive collection and exchange of information.

"Labor supply" is a policy to increase active labor market measures efficiency of supply and enable their impact to be maximized. That needs to be done investment in the living environment and support services for people with disabilities and the elderly. Same Increasing healthy life years has also been identified as a policy area improving health behavior and further reducing accidents, and health infrastructure through development.

Problems around the topic of dementia in Võru county:

People with dementia and their families independent coping is not sufficiently supported. The need for help of the target group is not covered with sufficient services and there is high risk that target groups quality of life is reducing. Provision of public social care services targeted to these families does not cover the demand/needs. Due to the burden that comes from taking care of elderly, relatives stay out of the labor market and do able not give their contribution to society.

The topic of dementia is 'hidden' in society, there is lack of public discussion about this, and stigma is still perceived. Caregivers perceive false shame and exclusion, there is low awareness of elderly's mental health issues. Mental health disorders in the elderly are underdiagnosed, which is partly because these problems are not recognized or ignored by people close to or in contact with elderly. Therefore, no specialist is consulted, and early intervention is not possible.

Designing future:



To design better public services for the future and stakeholders organized research “Organization of Võru County Services and the Solution of Future Social Services”, the action owner was Development Center of Võru County, stakeholders (period: 15.08.2021 to 31.05.2022). The research was conducted by The Centre for Applied Social Sciences (CASS), University of Tartu.

The research main focus was to define the need for social services and current situation of local government social services in Võru County is analyzed and a solution covering the needs of future services and suitable service models and measures is taken. When developing services, the structure and needs of service users are taken into account, and due to the resources, the ways of service organization are planned to cover the need for assistance. In the end of May 2022, the research of Võru County social services and solution for future was ready for introduction to local stakeholders and local authorities. Finances and resources: 30,500.00 euros, project support 24,997.80 euros.



2. VISIN AND EXCPEXTED CHANGE

2.1. Our vision:

“Our vision is a sustainable and cohesive society, where municipalities work together and develop integrated solutions to common urban challenges”

2.2. Main focus, sub-goals:

The main goal of the Võru Integrated Action Plan is to research how to organize public services in the future.

Võru County is currently working on Social Impact Bonds in service provision for people with dementia and their families. People with dementia and their families independent coping is not sufficiently supported. The need for help of the target group is not covered with sufficient services and there is high risk that target groups quality of life is reducing. Provision of public social care services targeted to these families does not cover the demand/needs. Due to the burden that comes from taking care of elderly, relatives stay out of the labor market and do able not give their contribution to society. Võru County is is facing with strong regional polarization, where younger people are leaving from countryside to bigger citys, it is an spill-over effect, because it has visible effect to labor market, regional atracctiveness and will increse percentage of elderly and disabled people. In Võru County the demographic pressure to labor market is high.

Sub-goals:

“Increased awareness of on future investment possibilities in providing social services for caregivers and service providers,,

„Streghthening sustainability of local governance with local serviceproviders with strong partnership between public, private and third secctor”

„Increasing the knowledge of investors in the possibilities of investing in social services”

2.3. Expected results and change

The main expected result is a change or shift in public sector. Our focus is to research how to organize public future services Population aging is not a problem but a new opportunity. It is possible to create a high-quality future for everyone at a high level of employment in vulnerable groups in society. Local authorities have better understanding of approach how to deal with different

social challenges in an integrated way. To provide more effective public services with less public money. Sustainable local government services, where social challenges are approached more solution-oriented and within cooperation between social entrepreneurs, citizens and investors.

The public sector's policy awareness of the challenges posed by an aging population has increased, and after the project the public sector is ready to understand the SIB methodology and willing to test the SIB methodology.

The provision of social services is no longer approached on a unit or hourly basis, but local governments understand that the main emphasis must be on the expected impact.

2.3.1. Key priorities where possible making reference to input from ULG members/external stakeholders in this process

In general, the main concerns of the representatives of local governments were two main aspects, namely the financial resources intended for the provision of the service and the evaluation of the quality of the service. In the first case, greater state support in financing services is considered important, and in the second case, the complexity of assessing the quality of services was noted. Most services are currently evaluated on the basis of customer feedback, and there is no improvement in quality. More effective monitoring and systematic quality assessment, involving institutions outside the local government, would contribute here. This would apply both to the standardization of service needs assessment and to the standardized assessment of service quality and availability.

However, setting up a SIB is a complicated task and may not suit all actions. Therefore, it is acceptable if not all your actions will result in a SIB. In such cases, focus on how these could be further developed into a SIB, or how they can help your organisation to be more prepared for a SIB. Such elements could be: providing more innovative services, applying outcome-based contracting, measuring impacts, building databases to have baseline values for your services, measuring costs of services, etc.

Key priorities:

- ❖ Interventions from the various parties (local government, state, health care system, private service providers) do not work in an integrated way.
- ❖ There are not enough service providers and specialists with specific competencies.
- ❖ Very little use of ICT and technology in service management and service provision to improve effectiveness and cover the lack of 'manpower'.
- ❖ Support carers participation in the labor market.
- ❖ Increase the efficiency, quality and availability of information and data
- ❖ To provide for people with special needs, the longest quality of life in the home for the elderly with dementia.
- ❖ Making public services more efficient

2.4. Process

The impact investing market is in the early development stage in Estonia; however, the last three-four years have shown considerable developments in this field, and several impact-focused funds and social have emerged. Võru County wants to create a new county model in the field of the local funding policies for the citizens and NGOs around welfare and social services. That could be a new approach towards funding such projects and a new approach for participatory budgeting. In the end of 2020 Võru County officials in collaboration with stakeholders undertook an initiative to develop a network (local municipalities, social service providers, GPs, NGO Life with Dementia (a part of the Dementia Competence Center) as a representative body of the target group) to collaborate in service provision for people with dementia and their families. A possible solution that helps to reduce fragmentation in service ecosystem would be a county-level coordinating system (for example, a care coordination scheme and case-managers) that helps to merge different services into a specific and actionable case plan and create a roadmap/care pathway for needed services to persons with dementia. The care coordinator would also be responsible for monitoring - To lessen the burden of healthcare specialists, municipalities' social workers basic follow-up of cases should be added to the system. This system provides help to people in navigating and managing different services.

Defining the problem

In order to start a project, it is necessary to understand what is the main issue on which the project focuses. What problem are we solving with this project or its approach? And for whom is the problem or are there several parties who see the need for intervention? Võru County wants to create a new county model in the field of the local funding policies for the citizens and NGOs in the area of welfare and social services. That could be a new approach towards funding such projects and a new approach for participatory budgeting. In the end of 2020 Võru County officials in collaboration with stakeholders undertook an initiative to develop a network (local municipalities, social service providers, GPs, NGO Life with Dementia (a part of the Dementia Competence Center) as a representative body of the target group) to collaborate in service provision for people with dementia and their families. A possible solution that helps to reduce fragmentation in service ecosystem would be a county-level coordinating system (for example, a care coordination scheme and case-managers) that helps to merge different services into a specific and actionable case plan and create a roadmap/care pathway for needed services to persons with dementia. The care coordinator would also be responsible for monitoring - To lessen the burden of healthcare specialists, municipalities' social workers basic follow-up of cases should be added to the system. This system provides help to people in navigating and managing different services.

From silos to proactive services

In the private sector, services are generally paid for directly or indirectly by the customer. In the private sector, user retention and active use of the service are crucial to a company's success. The same is not generally the case in the public sector, where citizens have no choice but to change their country of residence. In Estonia, projects are financed through a complex state budget preparation process, where taxpayers' money is distributed to different administrative sectors and projects. The same is true of the financing of the European Union budget, where the taxpayer does not have a direct say in the financing of services. This means that the company's stakeholder in the project often has a dominant view of the scope and functions of any project, and this can - and has - caused a number of problems.

Mapping stakeholder

It is important to monitor the involvement of key players in the sectors, mapping the stakeholder - any person, group or organisation who may be affected by the project and may in turn affect project design, development, or operation. Mapping stakeholders, public sector, local government, business sector, investors, social entrepreneurs, voluntary NGOs. Keep in mind the focus and the main issues from the perspective of implementation and implementation - whom participation and support is necessary, how to get in touch with them and be involved. Depending on the topic or the issue it may be necessary to involve participants from universities, representatives of voluntary organizations, researchers, etc. Stakeholder representatives may have a role to play in presenting suitable topics.

Engaging citizens

The challenge is how to increase the level of participation in social 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?

Smart and comprehensive data analysis to make better data-driven decisions

Data management and availability is crucial for both understanding and using the data. It is important to have firm control over services, an accurate vision of the need, using data based on actual needs and available resources. In the absence of data, it is also difficult to forecast the pressure on the local government budget.

No previous experience with SIB

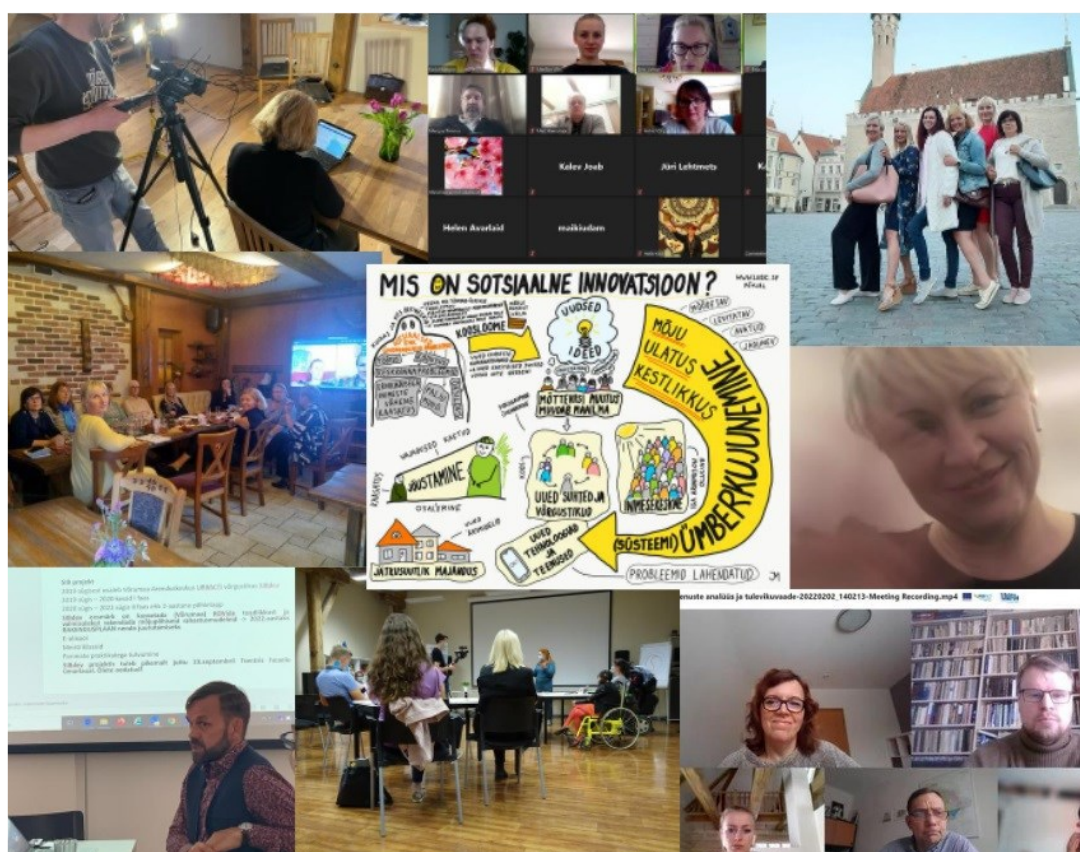
The Võru County does not have experience with Social Impact Bonds but has some experience and running projects which can be linked to the SIBs. To create better understanding about Social Impact Bonds we cooperated and changed knowledges and practices with national initiatives. organisations which have applied funding through the Good Deed Foundation incubation programme, NULA, which is supported by the NFSC, NULA is the only incubator for social initiatives in Estonia. The idea of how to solve a critical societal problem - the NULA incubator provides the necessary knowledge and advice from expert mentors on how to grow the idea into a viable solution. <https://nula.kysk.ee/et>

ULG meeting – building up network and sharing learning

URBACT program is a good method to gain ideas and exchange practices between other European cities. It has been practical and enjoyable learning process together with the SIBdev family.

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

The ULG is the partnership formed by local representatives from the public and private sectors of the intervention territory. First two meetings (8 SEPT 2020 and 9 OCT 2020) were focused on introduction of the SIBdev project to the development specialists of local municipalities. The impact-based financing model of services, what it is not traditionally the provision of services that is paid for, but the impact of services (impact). People's well-being promotes the economy, but Võru County is among the last in Estonia in terms of population indicators. Adapting to changing circumstances - the one who adapts faster and better wins. Meeting 3 and 4 focused on the commitment, willingness to start to create roadmap, start with co-creation of county-level coordination model and workshop for creating common understanding about the problem. How to move on? Meetings 5 and 6 focused on intervention testing new info technological tools and possible solutions. 7 and 8 cooperation with University of Tartu, creating a research about social services and policy recommendations for designing new impact-based services. Questionnaire for target groups to evaluate interventions about integrated approaches in service provision at local level.



Measuring social impact can help increase stakeholder and public awareness of the relevance of social enterprises, prevent behaviours not aligned with the enterprises' stated mission and justify potentially favourable treatment by the public sector given their proven contribution to solving social problems. Fundamentally, social impact measurement should be viewed as a potential source of value creation rather than simply as a mechanism for accountability.

Synergie with other projects:

Kick-starting the nascent social finance market in Estonia (SoFiMa).

Stakeholders/the project consortium: Baltic Innovation Agency OÜ, Tallinn University, Development Center of Võru County, Social Enterprise Network. In addition, the project is supported by AS SEB bank and Build It accelerator.

The main goal of the project “Kick-starting the nascent social finance market in Estonia” (SoFiMa) is to achieve cooperation between various sectors and stakeholders in developing the current situation of social entrepreneurship in Estonia. The project engages with representatives of businesses, non-profit organizations, scientists, investors, representatives of banks and local as well as national-level policy makers. Dissemination and networking will take place through roundtables and workshops for local decision-makers and policy makers, bank representatives and investors. The aim of the planned events is to increase the awareness of different target groups about social entrepreneurship and to create meeting places for the involvement of new parties. The project ended with the signed memorandum between the parties agreeing on the future of financing opportunities for socially responsible companies and an action plan for the creation of a new financial instrument.

<https://vorumaa.ee/wp-content/uploads/2022/05/Sotsiaalse-ettevotluse-ja-innovatsiooni-koostookokkulepe.pdf>

Research “Organization of Võru County Services and the Solution of Future Social Services”, the action owner was Development Center of Võru County, stakeholders (period: 15.08.2021 to 31.05.2022). The research was conducted by The Centre for Applied Social Sciences (CASS), University of Tartu. The research analysed the current situation of the need and supply of social services of the local governments of Võru County is analyzed, and based on this, a solution path is designed that includes the future service needs and suitable service delivery models and forms. When developing services, the structure and needs of service consumers are taken into account, and based on resources, ways of organizing the service are planned to cover the need for assistance.

Finance and resources: 30 500,00 euros, project support 24 997,80 euros

2.5. Methodology

The SIBdev project is a co-creation project, it is a project of learning together, and the goal is a local co-creation, therefore, the importance of the concept of the urbact local group (ULG). The ULG is the partnership formed by local representatives from the public and private sectors of the intervention territory. The main approach to project is thinking through resources.

2.5.1. Key objectives

The main key objective is to define new public services, how the topic of dementia is ‘hidden’ in society, there is lack of public discussion about this, and stigma is still perceived. Caregivers perceive false shame and exclusion, there is low awareness of elderly’s mental health issues. Mental health disorders in the elderly are underdiagnosed, which is partly due to the fact that these problems are not recognized or ignored by people close to or in contact with elderly. Therefore, no specialist is consulted and early intervention is not possible.

2.5.2. Integrated approach

In the end of 2020 Võru County officials in collaboration with stakeholders undertook an initiative to develop a network (local municipalities, social service providers, GPs, NGO Life with Dementia (a part of the DCC) as a representative body of the target group) to collaborate in service provision for people with dementia and their families. A possible solution that helps to reduce fragmentation in service ecosystem would be a county. The objective of level coordinating system (for example, a care coordination scheme and case-managers) that helps to merge different services into a specific and actionable case plan and create a roadmap/care pathway for needed services to persons with dementia. The care coordinator would also be responsible for monitoring - To lessen the burden of healthcare specialists, municipalities' social workers basic follow - up of cases should be added to the system. This system provides help to people in navigating and managing different services.

2.5.3. Small Scale Action – testing new digital solutions and approaches

The main idea of this SSA project was to introduce new tools and technologies and approaches for providing better social services. The main change was to move from booklet to tablet. All five local municipalities of Võru County received two tablets + car holders (a total of ten tablets) to start testing software of Fleet Complete. Tablets and software are mainly used by municipal social workers who provide day-to-day home care for clients. In this program, the GPS guides the employee to the client (service recipient), where the social worker marks the start of the service, notes all the actions provided to the client at home, and can make any necessary remarks or reminders about the client.

2.5.4. From bottom to up approach

Aligning the needs of private investors and social enterprises is an important new field that needs to be developed by many social enterprises, particularly those that are active in sectors reliant on human (rather than financial) capital and have never worked with private funders. Investors need to understand the constraints and objectives of social enterprises to help them effectively increase their social impact.

The bottom-up approach should ensure that the process and results are relevant to the social enterprise. Additionally, encouraging investors to think about their theory of change during the due diligence process and how it compares to the social enterprise's theory of change can generate dialogue around potential differences. Ideally, aligning the objectives of both the investor and the social enterprise takes place before the money is invested to avoid social impact measurement

2.6. Result indicators

Indicator 1

Specific objective	Research with university of social services and policy recommendations.
Definition	Research defines the need for social services and current situation of local government social services in Võru County is analyzed and a solution covering the needs of future services and suitable service models and measures is taken. When developing services, the structure and needs of

	service users are taken into account, and due to the resources, the ways of service organization are planned to cover the need for assistance.
Baseline value (year)	2020
Target value (year)	2024
Source of information	Final analysis/research for municipalities, policy recommendations for local authorities

Indicator 2

Specific objective	A county-level coordinating system
Definition	Development of (public) services that support the participation of more vulnerable groups in the labor market and to provide integrated services for vulnerable group. 100 of people with dementia (or their families) getting services according to their needs (integrated services). Simplify the availability of services and information, adjust labor market offers, reactivate the will to work the participation of caregivers in the labor market is increasing
Baseline value (year)	2021
Target value (year)	2024
Source of information	Policy change in municipalities social services, municipalities are ready to order integrated services from county level service providers.

Indicator 3

Specific objective	Sustainability of local government services
Definition	The public sector's policy awareness of the challenges posed by an aging population has increased, and the public sector is ready to test the SIB methodology. Preparation of the local government system for adaptation to the aging population, old age does not cost society dearly and does not cause a "crisis". Population aging is not seen anymore as a (usual) problem, rather than a new opportunity and as a future lifestyle of high-quality.
Baseline value (year)	2020
Target value (year)	2024
Source of information	Policy implementation to public sectors strategy documents



3. ACTIVITIES AND IMPLEMENTATION

3.1. Actions and activities

Action 1	Strengthening sustainability of local governance with local service providers with strong partnership between public, private and third sector
Action owner: The Development Centre of Võru County	Description: Strengthening the partnership between the 5 municipalities, service providers, city's administration and its citizens, through participatory processes and involvement
Period	2019-2024
Finance and sources	European Social Fund, local budget
Target year	2024
Outcome	Policy change in municipalities social services, municipalities are ready to order integrated services from county level service providers.

Activity 1.1	Introducing SIB, co-creating future social services and building up cooperation between municipalities and stakeholders
Description	Regular local urbact group meetings with local stakeholders, municipalities and NGO-s. The main goal was to build up stronger cooperation between

	partners and to understand challenges at social field, how to design and co-create services with less public money, introducing SIBdev method, introducing different examples and good practises from other countries.
Partners	Municipality of Antsla, Municipality of Rõuge, Municipality of Setomaa, Municipality of Võru, Municipality of Võru city, NGO South-Estonian Special Care Services Center
Dates	8. SEPT, 9 OCT 2020, 6 JAN, 1 MAR, 12 May, 11 OCT, 5 NOV 21
Related activities	ULG meetings, SSA implementation, Study exchange in Aarhus.
Outputs	The municipalities understand the SIBdev method and are more willing to provide impact-based services. Readiness to apply new URBACT project for implementing digital tools for providing better services.

Activity 1.2	Research “Organization of Võru County Services and the Solution of Future Social Services”
Description of activities	The research main focus was to define the need for social services and current situation of local government social services in Võru County is analyzed and a solution covering the needs of future services and suitable service models and measures is taken. When developing services, the structure and needs of service users are taken into account, and due to the resources, the ways of service organization are planned to cover the need for assistance.
Partners	The Centre for Applied Social Sciences (CASS), University of Tartu, The Development centre of Võru County, Municipality of Antsla, Municipality of Rõuge, Municipality of Setomaa, Municipality of Võru, Municipality of Võru city, NGO South-Estonian Special Care Services Center
Finance and resources	30,500.00 EUR, project support 24,997.80 EUR.
Dates	15.08.2021 to 31.05.2022
Related activities	Development of care services for the elderly with mental health disorders in Võru County
Outputs	Analysis and recommendation about service models. Higher awareness and readiness local governments to implement impact-based financing models to service providing.

Activity 1.3	Future social services – digital tools
Description of activities	Providing integrated services in all municipalities, testing new info technological tools with tablet and software while providing social services. Involving investors and entrepreneurs for investing in software designing and implementation activities.

Partners	Fleet Complete Ltd, Republic of Estonia Information System Authority, Development Center of Võru County, Municipality of Antsla, Municipality of Rõuge, Municipality of Setomaa, Municipality of Võru, Municipality of Võru city.
Dates	Meetings 6 April 21, 14 April 2021, 2021, 26 May 2021, 26 Oct 2021
Related activities	SIB, Small Scale Action
Target year	2022
Outputs	Readiness to test and use digital solutions for providing impact-based services. Public sector, third sector and investors have better overview of gaps between social field and digital field. The social sector could be seen as a new direction of business, in which lies the potential to make a profit.

Activites 1.4	Designing a county-level coordinating model
Description:	Policy change in municipalities social services, municipalities are ready to order integrated services from county level service providers.
Partners	Municipality of Antsla, Municipality of Rõuge, Municipality of Setomaa, Municipality of Võru, Municipality of Võru city, NGO South-Estonian Special Care Services Center, The Development Centre of Võru County
Finance and sources	ESF, local budgets, investors
Period	2020-2024
Related activities	Study exchange, Development of care services for the elderly with mental health disorders in Võru County
Outputs	Local governments understand the need for a county cooperation model and competence-service center, and a funding platform for a county competence center and providing sustainable and impact-based services.

Action 2	Increasing awareness of on future investment possibilities in providing social services for caregivers and service providers,,
Action owner: The Development Centre of Võru County	Description: introducing financing opportunities for social entrepreneurship and cooperation with local governments, social impact, social innovation and public sector innovation - examples from international partners, study exchanges and visit.
Period	2019-2024
Finance and sources	European Social Fund, local budget
Target year	2024
Outcome	Implementing new methods and practices for providing future services. New financed project applications.

Activity 2.1	Development of care services for the elderly with mental health disorders in Võru County
Description of activities	The aim of the project is to improve the coping of older people with mental health problems (people with dementia) in their own homes and the opportunities for their relatives to participate in the labor market. To this end, a sustainable co-operation model uniting Võru County local governments and service providers will be developed, and integrated services will consider the specifics of the target group.
Partners	Municipality of Antsla, Municipality of Rõuge, Municipality of Setomaa, Municipality of Võru, Municipality of Võru city, NGO South-Estonian Special Care Services Center
Dates	01.01.2021-31.12.2022
Finance and sources	262,855.00 EUR, project support 223,426.75 EUR, European Social Fund, Strand 2: Welfare services for participation in the labor market, activity 2.2.1 "Welfare services for older people, people with special needs and coping difficulties and members of their families"
Related activities	URBACT's SIBdev project (SSA and study exchange)
Target year	2023
Outputs	The project will provide services for the elderly (100 people) with mental health disorders

Activity 2.2	Social Innovation vunki Mano! Winterschool
Description of activities	County level seminar about societal challenges and social innovation policies. Examples of financing opportunities for social entrepreneurship and cooperation with local governments, social impact, social innovation and public sector innovation - examples from Sweden, Croatia, Slovakia.
Partners	Development Centre of Võru County, Tallinn University, Partnership Assembly of Võru County, Municipalities of Võru County
Dates	31.03.2022, 01.04.2022, 22.04.2022
Related activities	URBACT's SIBdev project, ESIA, SoFima, EUArenas
Target year	2022
Outputs	Introducing the social innovation ecosystem and shaping it at the local level. Improving cooperation between the public sector, universities and between international partners. Sharing the success stories of social innovation and the implementation of social influence creates confidence to test different approaches in the development of services at the municipal level.

Activity 2.3 Study visit to Aarhus	
Description of activities	<p>Key persons in the social fields of local governments of Võru County participated in an study-visit in Denmark, in the city of Aarhus. The experience exchange trip was realized thanks to URBACT's SIBdev project and we were received by representatives of Aarhus municipality.</p> <p>During the experience, study-visit participants acquainted with the various service provision possibilities of the social system and the projects that the residents can take part in. One of the deeper questions was the organization of services offered to people with dementia syndrome and their relatives and issues of outreach.</p>
Partners	Municipality of Aarhus Municipality of Antsla, Municipality of Rõuge, Municipality of Setomaa, Municipality of Võru, Municipality of Võru city
Dates	23 May 2022 – 26 May 2022
Finance and sources	URBACT's SIBdev
Related activities	Development of care services for the elderly with mental health disorders in Võru County.
Outputs	The visit gave input and new ideas to the social departments of municipalities for future projects that could be implemented at the local level, following the example of Aarhus.

Action 3	„Increasing the knowledge of investors in the possibilities of investing in social services”
Action owner: The Development Centre of Võru County	Description: Strengthening the partnership between the 5 municipalities, service providers, city's administration and its citizens, through participatory processes and involvement
Period	2019-2024
Finance and sources	European Social Fund, Local and national budget
Target year	2023
Outcome	Policy change in municipalities social services, municipalities are ready to order integrated services from county level service providers.

Activity 3.1 Mapping funder resources and opportunities	
Description of activities	The mapping and overview of funding opportunities at the county level was fragmented. Previously, there was no comprehensive overview of the various funding sources or platforms that a development organization might need in its daily work. Together with experts in the field and

	municipalities, we put together a current overview of funding measures at the national level and, to a lesser extent, at the EU level.
Partners	NGO South-Estonian Special Care Services Center
Dates	April 2022
Related activities	Development of care services for the elderly with mental health disorders in Võru County, SSA
Target year	2022
Outputs	County and local governments have an overview of financial measures and application deadlines, which helps to better plan for the continuation of social service development projects and the financing of social innovation activities

Activity 3.2	Creation of a competence center for social innovation (ESIA)
Action owner:	National Foundation of Civil Society (NFCS)
Description of activities	European Social Alliance (ESIA) is building up national competence centres for social innovation in Denmark, Estonia, Germany, Poland and UK. It develops national social innovation ecosystems by sharing approaches and new methodologies, including on social entrepreneurship, social investment and enabling policies. National Competence Centres for Social Innovation is one of the six projects supported by the European Commission in order to establish national competence centres for social innovation across the EU. During two years innovation organisations, research centres, ESF managing authorities and other partners design and develop competence centres, which can help their countries to promote social innovation.
Partners	Social innovation Academy (Denmark), National Foundation of Civil Society (Estonia), Social Impact and Technical university of Dortmund (Germany), Glasgow Caledonian University (UK), Shipyard Foundation (Poland)
Period	May 2021- April 2023
Finance and resources	1 837 005,00 EUR, project support 38 792 EUR, European Commission, including with funding ESF+ Social Fund and others EU programs.
Related activities	Implementation of co-creation and social innovation ecosystem at the county level.
Target year	2023
Outputs	Project partners will support managing authorities in developing social innovation by establishing strategic partnerships with decision-makers to promote social innovation, holding workshops and webinars, and creating

thematic networks to exchange best practices with national actors from all sectors.

Activity 3.3 Kick-starting the nascent social finance market in Estonia (SoFIMa)	
Description of activities	The main goal of the project to achieve cooperation between various sectors and stakeholders in developing the current situation of social entrepreneurship in Estonia. The project consists of three main groups of activities: research and analysis, capacity building and knowledge exchange and networking. Capacity-building activities include social entrepreneurship incubation programs in Tallinn and Võru County. Tallinn has the greatest potential to develop the social business ecosystem and support the growth of social enterprises. Students are at the heart of the Tallinn incubation program. At the heart of Võrumaa's activities are representatives of communities, local businesses and non-profit organizations, whose initiatives can make social enterprises partners with the local government.
Partners	Baltic Innovation Agency OÜ, Tallinn University, Development Center of Võru County, Social Enterprise Network
Period	November 2020 - June 2022
Finance and resources	40 465,00 EUR, project support 37 818,00 EUR
Related activities	URBACT's SIBdev, ESIA project
Outputs	Analysis of the investment needs and investment readiness of Estonian social enterprises. Analysis of the readiness of Estonian investors to invest in social enterprises. Feasibility study of a new potential social finance instrument. signed memorandum between the parties agreeing on the future of financing opportunities.

3.2. Pilot action - Small Scale Action

SSA has been designed by Võru County ULG, who worked with on Social Impact Bonds in service provision for people with dementia and their families. SSA topic was linked to the vision and mission what Integrated Action Plan expected. The main reason why we tested intervention with dementia project. People with dementia and their families independent coping is not sufficiently supported. The need for help of the target group is not covered with sufficient services and there is high risk that target groups quality of life is reducing. Provision of public social care services targeted to these families does not cover the demand/needs. Due to the burden that comes from taking care of elderly, relatives stay out of the labor market and do not give their contribution to society. Võru County is facing with strong regional polarization, where younger people are leaving from countryside to bigger cities, it is a spill-over effect, because it has visible effect to labor market, regional attractiveness and will increase percentage of elderly and disabled people. In Võru County the demographic pressure to labor market is high.

"Labor supply" is a policy to increase active labor market measures efficiency of supply and enable their impact to be maximized. That needs to be done investment in the living environment and support services for people with disabilities and the elderly. Same Increasing healthy life years has also been identified as a policy area improving health behavior and further reducing accidents, and health infrastructure through development.

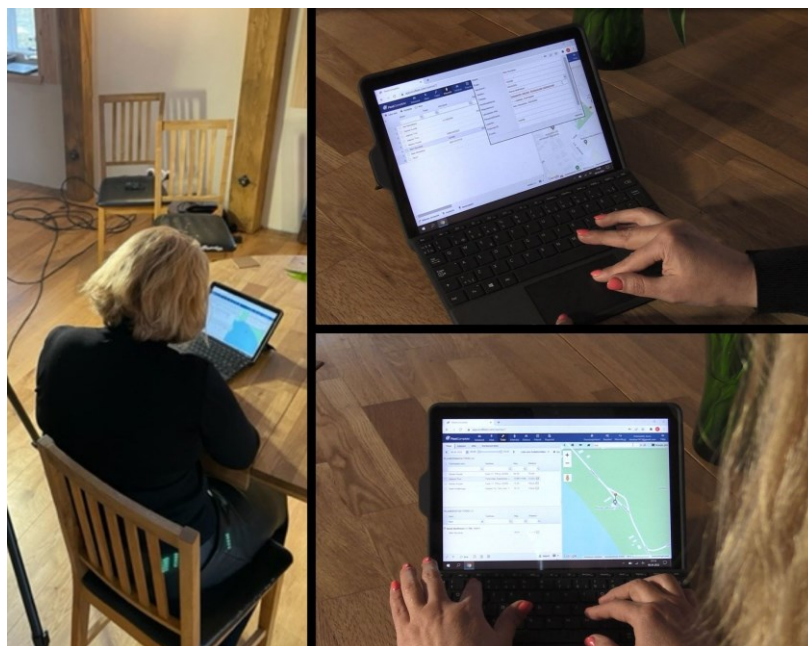
The solution of Fleet Complete is quite new in Estonia and there are still many nuances that need to be developed. Deploying different solutions is a process, but the very first step is to understand why old solutions are no longer relevant and to increase readiness for new platforms, approaches, and methods. To introduce or replicate the approach of Võru County, we have created a short introductory film that will help to create better understanding of the entire idea of Fleet Complete content.

The main idea of this project was to introduce new tools and technologies and approaches for providing better social services. The main change was to move from booklet to tablet. All five local municipalities of Võru County received two tablets + car holders (a total of ten tablets) to start testing software of Fleet Complete.

These tablets and software are mainly used by municipal social workers who provide day-to-day home care for clients. In this program, the GPS guides the employee to the client (service recipient), where the social worker marks the start of the service, notes all the actions provided to the client at home, and can make any necessary remarks or reminders about the client. For example, visiting a doctor or going to a pharmacy, shopping, etc. With tablets, the customer can also make video calls to their loved ones who live far away or in another country. It relieves the client's loneliness and has a positive effect on his daily life. An overview of the work done is automatically created and a report on the work done can be taken out, where the head of the social department can get a better overview of the needs of the clients and with this information to prepare budget and needs about social services. Thanks to the use of software, it is easy to take over the list of jobs in case an employee falls ill or drops out.

SSA of Võru county is the future plan for the county – how to find better solutions for the whole social service system? The IAP goal of this project is to create the best possible environment for people with dementia and to support their caregivers and at the same time create an impact to service quality and reduce municipality expenses. A county-level coordinating system (proportion of

municipal expenditures directed to NGOs and partners for the joint development and provision of social services. Sustainability of local municipality services. Preparation of the local municipality system for adaptation to the aging population, old age does not cost society dearly and does not cause a "crisis". Population aging is not seen anymore as a (usual) problem, rather than a new opportunity and as a future lifestyle of high-quality.



3.3. Roles and responsibilities

The lead partner is Development Center of Võru County. Project partners at the local level (ULG members): Municipality of Antsla, Municipality of Rõuge, Municipality of Setomaa, Municipality of Võru, Municipality of Võru city

NGO South-Estonian Special Care Services Center providing coaching and consulting to families and caregivers, participating in ULG meetings.

Estonian Dementia Competence Centre, Service providers from private sector - Representative organization of experts and families. The voice and in cooperation with the media, contribution to policy making with the expertise and provides target group feedback to decision makers.

3.3.1. Resources and re-evaluation/reinventory checklist

To create an overview of financial resources, staff resources and abilities. We used inventory checklist.

1. Identifying funding opportunities and sources for project funding.

1.1 Does my organisation have a department or staff responsible for the sourcing of funding? Our organization does not have a department for sourcing and funding, different information about funding is known by project managers and development advisor.

1.2 Does my organisation have an existing map or database of funders or funding sources? We have a list, overview of different funders.

1.3 Who monitors external funding sources in my organisation to identify project funding opportunities? Development advisor and project managers are monitoring external funding.

1.4 How is the funding mix of a project decided? Funding mix is usually decided by project manager or board member.

1.5 What are the most common funders and funding sources that my organisation has used in the past? EU fundings (ESF, Interreg, Horizon) and domestic public sector fundings.

1.6 What types of funding sources are used by my organisation? (EU funding, domestic public sector or funding programmes, NGOs funding, donations, fundraising, social bonds, volunteers etc.) EU fundings (ESF, Interreg, Horizon) and domestic public sector fundings.

2. Budgeting and approving of projects

2.1 What is the usual process from project idea to project implementation in my organisation? Project processes are based on either the measure or the funding that opens up. It is then decided which direction or area is suitable to apply for the money. A brainstorming session on the idea will be carried out with local governments, an application will be written and cross-financing opportunities will be reviewed.

2.2 Does my organisation have a finance department or finance officer who deals with project finance? Yes we have financial officer who deals with project finances.

2.3 Who is in charge of designing project costings/budgets and staff time allocations? The head of the field and a member of the board are responsible of designing project costing and budget allocation.

2.4 Who is in charge of approving project costings and budgets? The board member is in charge.

2.5 What are the procedures to include a project in the annual budget of my organisation (what are the next deadlines)? A board member is responsible for cost accounting and budget approval.

2.5 What are the procedures for including the project in the annual budget? All project managers provide input to the annual action plan, the board member and the financial officer add it to the annual budget, and the council of the Development Center approves the annual budget.

2.6 Who is included in the decision-making process of annual budgets and approving the funding for projects? The decision-making process of annual budgets are approved by Council of Development Center, where decisionmakers are mayors and elected representatives.

3.3.2. Potential sources of funding and financial resources in future/open calls:

To create multilevel platform/ecosystem for social innovation, in terms of society, we are taking the next steps towards services and initiatives with a social impact and digitalization. Interventions from the various parties (local government, state, health care system, private service providers) do not work in integrated way, but it should be done in cooperation with both public sector, health care-systems, civil society organizations and private investors. The main aim in the future is to expand the stakeholder circle with citizens and social entrepreneurs to reach up to the complete model of Social Impact Bonds as a one good solution to reduce municipality expenses.

With a closer cooperation and co-creation we will build up approach to deliver social services with positive impact in quality and complete repayment. In order to implement the project on a larger

scale, we need the support of the health insurance companies and investor angles. Health insurance companies may not want to invest, but will still profit from the project.

Next steps to elaborate feasibility for SIBs?

Next step to elaborate impact-based financial models are applying for "Available high-quality public services". The Ministry of Finance allowed the revised draft regulation to be sent to the approval round at the end of August 2022, the application will remain until the new year.

This finance measure is county based. The county budget here is 4.9 million euros. Our goal could be to further develop the model that emerged from the CASS analysis "Organization of Vörö County Services and the Solution of Future Social Services", survey in cooperation with local governments.

3.4. Risk analysis

- ❖ Adopting new solutions can be a little more complicated at first, as old systems and providing services are strongly rooted. Also old policies are rooted and unbending.
- ❖ Lack of knowledge about evaluating effectiveness and setting indicators when ordering the impact of services. The question is how to measure impact for region and society? What kind of indicators to use and to achieve change ?
- ❖ Data management. Data is crucial for both understanding and using the data. It is important to have firm control over services, using data based on actual needs and available resources.
- ❖ The lack and the complexity of the use of data, and in particular personal data, should become more transparent as they arise. The data is important for local authorities and policymakers to understand the real scale of the problem.
- ❖ Citizens should be able to use seamless services regardless of their everyday environment. While government can be a complex network of processes and often an inevitable bureaucracy, the civic experience should not be inside, and it should be the number one focus to enable the best living environment - digital or otherwise. Unlike in recent decades, the large-scale and integrated use of data poses challenges not only from a technological point of view, but also from information and data management difficulties to business stakeholders. The data is important for local authorities and policymakers.
- ❖ To adopt new digital solutions for all local municipalities, it is necessary to create firstly a common understanding of how these solutions help to optimize public services, how new tools and solutions help to create a comprehensive picture of customer everyday needs and how it will affect local municipalities budgets in the future. Activities may involve the risk that the introduction of new technologies may require greater support in the beginning period, to provide trainings and instructions. Switching to technological solutions may not be as easy as it may seem in the beginning. Municipal specialists need additional IT training, supervision, explanations, and continuous team support.
- ❖ The high risk is of labor quality (special trainings, educations etc.), who will provide social care and services to the target group.

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