Defining innovation in the context of the UIA Initiative

A word to the reader

This paper was written by the UIA Permanent Secretariat.

It does not have a scientific basis or ambition. It is based on the reading of the applications received in the framework of first UIA Call for Proposals and on the exchanges and discussions with representatives of the 17 selected projects.

It aims to share some of the initial lessons drawn from the first Call for proposals with the hope that these can be a source of inspiration for urban authorities preparing proposals for the second Call for Proposals.

1. Trying to clarify the concept of innovation to explain the UIA's ambitions

Innovation is a complex concept embedded in our societies for centuries. It implies a sense of hope in the human capacity to generate new ideas and solutions that address new or long-lasting but still unsolved societal challenges and ultimately in the collective capacity to continuously improve our quality of life. Such a natural link between the innovation and our capacity to face very different challenges can explain why the concept has had innumerable definitions and variations depending on the field of application.

In urban development, given the inextricable interconnections between the social, economic and environmental dimensions, it is where the concept of innovation is probably even more difficult to define. However it is in this specific context that the concept has acquired a growing importance over the last decades and where it has shown its concrete meaning and implications for cities and citizens.

To explain the growing attention for urban innovation, past experiences and literature suggest at least two interlinked explanations. On one side, the growing complexity of the societal challenges combined with decreasing financial resources of the public sector are pushing, every day more, local authorities to step away from the traditional paths of policy-making in order to explore out of the box but promising new solutions. On the other side, more importantly, the search for alternative and innovative solutions is becoming relatively easier thanks to the recent evolutions in the communication technologies allowing public authorities to tap

into the collective intelligence[1] of our communities to co-design and co-implement innovative projects.

UIA fully recognises this changing scenario and the growing need for urban authorities to design and test new, bold and innovative solutions building on the diffuse expertise and knowledge that exist outside the walls of city halls.

In the framework of UIA we define urban innovation as "*new products, services and processes able to add value to the specific policy field and have never been tested before in Europe*".

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Within this definition there are two elements that are worth being highlighted.

First of all, at UIA we recognise that innovating for urban authorities does not mean simply testing new products (to address market failures or obstacles) but also designing new processes, new ways of working, new relationships and ultimately new services for citizens. From our point of view this is a more **open interpretation** compared to other schemes dedicated to innovation where the focus in mainly on products.

Secondly, and very important to understand UIA expectations, the new products, processes and services that UIA is ready to support are those that have **never been tested before in Europe**.

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[1] Among other relevant publications, readers can check Geoff Mulgan, Tom Saunders, Governing with collective intelligence - NESTA, 2017

http://www.nesta.org.uk/sites/default/files/governing_with_collective_intelligence.pdf

This implicitly means that **UIA will not support projects or ideas that are innovative in one specific context or in a given part of Europe but already tested and considered as mainstream (and in some cases obsolete) in other Member States**. And this is not because we do not believe in the potential of adapting and transferring innovative ideas within Europe but because we think that to support this type of innovation there is at national and regional level a consequent amount of financial resources available (mainly through mainstream funding and more especially through the provisions of the art.7 of the ERDF regulation 2014/2020)[2].

The strategic objective of UIA is therefore not to replace national and regional managing authorities in their task of financing local projects for integrated urban development but to **spot, support and capitalise on the <u>most</u> innovative and promising projects in Europe**. Those projects that by their experimental nature have a great potential to generate ground-breaking solutions but that also imply an important element of risk given the fact that they are still unproven and untested on a real urban scale. A risk that could potentially imply failure and that would prevent mainstream funding bodies to support those ideas.

UIA is ready to share this risk with frontrunner urban authorities. Financially, by providing 80% of co-financing and introducing an advance payment mechanism, but more generally by lowering barriers and obstacles and creating the conditions for urban authorities to create real scale urban laboratories to experiment bold solutions and draw lessons from the testing phase.

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[2]
http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/urban_en.pdf

2. Two different typologies of urban innovation?

When preparing the launch of the first ever UIA Call for Proposals, in order to clarify as much as possible the expectations and the requirements of the new Initiative in terms of innovation, two broad categories of urban innovation were identified.

On one side, urban authorities were expected to propose **revolutionary innovations** by experimenting technologies or products never before tested in Europe, designing services to answer challenges that are new for the European context or totally overturning the way old but unsolved challenges are addressed.

On the other side, urban authorities had the opportunity to propose **evolutionary innovations**, building on past experiences but trying to go beyond everything that has been already tested before. In this context, the innovation should be in the delta between what has been already tested and the potential new applications. This type of innovation may include changing radically the scale of application of already tested products or services, building on and combining traditional elements to create new meanings[3] or adapting traditional services and products for new target groups.

When looking at the more than 350 applications received from more than 500 urban authorities in 24 different Member States, the reality appears much more complex and this classification of urban innovation might look artificial.

As matter of fact, when defining innovative projects, urban authorities tend to look for revolutionary elements but almost always trying to anchor them to past experiences and lessons learnt and therefore combining as much as possible revolutionary and evolutionary approaches.

3. Where is the innovation in the 17 selected projects?

Looking at the proposals received, and more especially to the 17 considered as the most innovative, is indeed important to try to clarify how these urban authorities have understood the expectations of the UIA and how they have interpreted the definition of innovation.

The main overarching trend that we could identify in the 17 selected projects is that a successful UIA proposal is never built around one single innovative action. **UIA projects are complex set of actions**, combining together different but complementary actions (on average approved projects propose between five and ten inter-linked actions).

This is understandable when considering the complexity of the challenges to be addressed and the need to design integrated solutions but also that it would be difficult for an urban authority to propose one single action worth 5 million Euros (maximum ERDF contribution).

UIA projects are a complex set of actions, combining together different but complementary actions

When accepting that UIA projects are complex set of actions, it should also be accepted that it

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3   Ezio Manzini, Design, When everybody designs. An introduction to design for social innovation – The MIT press, 2015

would be almost impossible for an urban authority to design a project where all the actions proposed are equally innovative.

Behind this assumption there are two interconnected design challenges for urban authorities.

First of all, within a complex set of actions is essential to be able to **place at the centre the most innovative elements** and consider the more traditional actions as ancillary and complementary. On the other hand, designing a complex set of actions, with a centrality given to the most innovative actions, implies the need to **ensure an overall coherence and integration**, a common theme that link the different actions making sure that they all contribute to common objectives and avoiding that they appear as standalone and disconnected activities.

The 17 most innovative projects of the first call have all, each in its own way, managed to successfully address these specific challenges when preparing their proposals.

However if we really want to spot the innovative approaches proposed by those projects, we need **to zoom in in each topic** and take into consideration the specific challenges, resources, target groups of the related policy field..

When looking at the topic of **energy transition**, it is worth underlining how, even if all the three approved projects (**Gothenburg, Paris and Viladecans**) have proposed the deployment of new technological solutions, these are not the most innovative elements of those projects. For all, the innovation is in the attempt to test new governance mechanism for energy management at neighbourhood scale, bringing together all the different actors (public authorities, energy producers and suppliers, real estate developers, technological private firms and consumers) with a strong attention to the social implications (fuel poverty, etc.) of energy efficiency measures. It

will be particularly interesting to see how these new "energy deals" will be tested in 3 different contexts of the urban fabric (a university area in Goteborg, a brand new eco-quartier in Paris and one of the most deprived neighbourhoods in Viladecans).

The policy field of **inclusion of migrants and refugees** is where the attempt of mixing evolutionary and revolutionary elements is probably more evident. Here urban authorities have tried to reshape and adapt traditional services for a new target group but also to introduce totally new elements co-designed with beneficiaries and local stakeholders. The common theme linking the four approved projects seems to be the centrality given to the empowerment of refugees who will be involved in all steps of the process gaining not only professional skills but also raising their capacities to co-design and co-deliver solutions. In **Utrecht** and **Antwerp** refugees will play an active role to respectively enter as quickly as possible in the labour market and co-design tailor made welfare services (combined with an innovative housing solution in Antwerp). In **Bologna** and **Vienna** they are key actors for the co-design (and for the physical renovation) of one-stop-shops and will be empowered to run some of the services that the centres will offer to the surrounding communities.

In the framework of the projects selected under **jobs and skills in the local economy** the innovation can be located in the attempt of urban authorities to anticipate or react to major economic and technological transitions, creating the conditions for these disruptive shifts to generate inclusive positive effects for local communities. If **Rotterdam** is trying to bridge the skills gap in the labour market generated by the shift of local enterprises toward the new economic sectors linked to the Third Industrial

Revolution[4] (green, blue and white economy), **Bilbao** will help the industrial support services to accompany the shift of the local manufacturing sector towards the adoption of 4.0 technologies (robotics, 3D printing, etc.). If **Madrid** is trying to unlock the potential of social innovation and

grassroots initiatives in jobs and value creation in four key sectors for the city (mobility, food, recycling and energy), **Milan** will create a living lab for social inclusion, jobs creation and open innovation along the food supply chain.

Finally, even if **urban Poverty** is a traditional field of competence for urban authorities, this is where some truly revolutionary approaches can be found, although always in some way building upon previous experiences. This is the case of **Barcelona** that will test and evaluate seven different schemes of Basic Minimum Income with different groups in one of the most deprived neighbourhoods but also of **Turin** that will give a concrete dimension to its municipal regulation of common goods[5] by signing Pact of Co-responsibility with citizens to run public spaces and deliver co-designed services. The link

between the projects of **Lille and Nantes** is the attempt to use the traditional area-based approaches for urban renewal to introduce innovative urban functions in deprived neighbourhoods (integrated homeless centre in Nantes and cluster for food production and consumption in Lille) while **Birmingham** will test an ethnographic approach to map the local assets and try to connect them with major public (new hospital) and private (real estate development) investments already planned in a deprived area of the city.

The 17 selected projects of the first call now have their own dedicated webpage on the UIA website. The dedicated webpages provide

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[4]   Jeremy Rifkin, The Third Industrial Revolution - Palgrave, Mc Millan - 2011

[5]   Carta dei Beni Comuni – Comune di Torino - http://www.comune.torino.it/benicomuni/cosa_son o/index.shtml

already detailed information on the approaches and the solutions proposed and they will be regularly updated with news on the progresses made during the implementation phase but also with the main outputs produced by UIA Experts (see last section of this paper). We strongly encourage urban authorities preparing project proposals for the upcoming calls to regularly check these pages to understand the main characteristics of successful projects and potentially to be inspired.

4. Is my project innovative? The importance of the benchmark

With a definition of innovation implying that UIA is looking for bold and innovative solutions that have never been tested before in Europe, the capacity to demonstrate this specific level of innovativeness has become a key factor for project proposals in the framework of UIA Calls. This is the main reason why UIA gives a specific importance to the benchmarking[6] of the solutions proposed.

Even if benchmarking the solutions proposed to demonstrate the level of innovation is one of the main tasks of the Panel of External Experts when assessing the proposals received, in the framework of the UIA Initiative it was agreed to share this responsibility with urban authorities.

In the application form, all applicants are requested to demonstrate to what extent the solution proposed is innovative and never been tested before by looking at the literature and at similar existing experiences, comparing its own solution to these existing solutions and trying to

highlight the main differences and the added value of its own solutions.

At UIA we are conscious that doing an effective benchmark is a new and sometimes difficult task for urban authorities. It requires resources (human, financial and time), skills and methodologies. Feedback collected during the different events organised by the Permanent Secretariat indicated this task as one of the most difficult ones to accomplish during the preparation of the proposals. In the mean time we were also happy to see that several urban authorities (no matter their size) were able to do a clear and effective benchmark by combining different techniques and methodologies. These include among others:

- Tasking academic partners (universities, think tanks, etc.) to do a review of the existing thematic literature
- Analysing databases of projects already supported by relevant institutions and mechanisms
- Making use of external expertise to compare similar projects to identify potential differences and complementarities
- Making use of existing transnational networks to perform peer reviews of the solutions proposed collecting feedback and advice from colleagues

When looking at the conclusions of the benchmark exercise completed by urban authorities in the first Call, it is possible to identify two patterns.

In a few cases the urban authorities came to the conclusion that no other similar examples could

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[6]   Defined by Oxford dictionaries as the action of evaluating something by comparison with a standard)

be identified as already tested in Europe. Even if in some cases similar solutions were identified outside of Europe (mainly in the U.S. and Asia), building on the benchmark, urban authorities were able to present their solutions as revolutionary for the European context.

Picture credit Jannoon028 / freepik.com

In the majority of cases, urban authorities were able to identify similar solutions already tested somewhere else in Europe but they were also able to demonstrate how these previous examples will be taken into account and more especially how the solution proposed will go beyond what has been already tested (evolutionary approach).

5. The innovation beyond the idea: partnership and measurability

If the innovativeness of the proposal (which accounts for 40% of the UIA assessment scoring) is mainly assessed looking at the solutions proposed by urban authorities, in a very tight competition as was the first UIA Call for proposals (5% success rate), in some cases the

difference was made by the capacity of urban authorities to embed innovation in other key dimensions of their project: **the quality of the partnership and the measurability of results.**

As already stressed before, the need for urban authorities to co-design and co-implement innovative projects in close partnership with a wide range of local stakeholders is part of the UIA philosophy. Only creating bridges between the public sector and the local ecosystem of agencies, NGOs, private partners, etc., the municipalities will be able to maximize the potential of the collective intelligence.[7]

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In the first Call for Proposals, embedding innovation in the definition of the **partnership** for UIA projects required three different factors for the successful cities.

First, they tried as much as possible to go beyond the traditional settings of local partnerships to involve the "unusual suspects". These included small NGOs and citizen associations, innovative start-ups, think thanks but also major multinational unaccustomed to working on local projects. This was globally facilitated by the very flexible definition of Delivery Partners adopted by UIA (any organisation with a legal personality and able to bring experience and expertise to the project). In this perspective, looking outside of the city hall to identify all potential contributions and trying to interact with the unusual suspects meant a strong political leadership to allow civil

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[7]   For this readers can see also the concept of "cognitive deficit" of the public sector described by

Fabrizio Barca in his book La Traversata (Feltrinelli – 2013)

servants to change their way of working but also a strong methodology for participative planning.

This brings us to the second factor for innovative partnerships. All successful projects were able to demonstrate that the proposal was genuinely co-designed with the Delivery Partners and the wider group of stakeholders. Building on existing partnerships and trying to expand them to new actors, they worked together to identify the exact implications of the challenges to be addressed (very often looking from the perspective of the target groups), they co-defined the objectives and the expected results, they gathered evidence and data from different sources and they co-generated ideas for actions. This was particularly evident for those cities that had already taken part in transnational networking and capacity building activities for action planning (e.g. with URBACT[8], EUROCITIES, etc.).

Finally, even if the design phase is essential to build successful proposals, UIA is about implementing innovative urban projects. Therefore the third important factors is given by the capacity (and willingness) to share the responsibility for implementation with the Delivery Partners. In this perspective, in some projects, while the urban authorities remain the overall responsible for the project

implementation, Delivery Partners have bigger budgets and practical responsibilities than the urban authorities for the delivery of actions. This can be seen as a gradual but concrete step towards a shift for local authorities from a position of main service provider to one of ecosystem manager[9]. However, this new relation for co-implementation requires trust among partners but also effective and innovative coordination and management mechanisms.

As already stressed, UIA is about creating the conditions for urban authorities to set up an urban laboratory to test unproven but promising solutions. As in any laboratory, scientists and researchers need clear and precise parameters to know when the experiment can be considered successful and, more importantly, to know when it did not work and to understand what should improve. This is why the **measurability of the results** is one of the UIA assessment criteria and why it represents a key dimension in selected projects.

As for the partnerships, three factors made the measurement approaches proposed by selected projects particularly innovative.

Firstly, as part of the co-designing activities, selected projects have worked together with their partners in order to co-define objectives, expected results and activities following the principles of the Result Oriented Framework and therefore presenting solid and clear intervention logics supported by measurable and realistic indicators (linking objectives to actions and

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[8]   See the 3 success stories (Turin, Bologna and Rotterdam) of cities having applied the URBACT Method and Toolkit to co-design their UIA project. The first article (Turin) is available here (http://www.uia-initiative.eu/en/urbact-uia-

testimony-three-cities) the others will be published soon on our website.
[9]   The concept was firstly introduced by Eddy Adams and Robert Arnkil in"Supporting urban youth through social innovation"– URBACT - 2013

outputs and defining how these will contribute to the expected results[10]).

Secondly, selected projects have proposed innovative methodologies and techniques for monitoring and evaluation of the implementation process. These include applying the Theory of Change in specific urban contexts, using Randomised Control Trials (RCT) techniques to test different solutions with different target groups, combining online and offline tools for qualitative surveys or designing interactive dashboards to gather and visualise different types of data.

Thirdly, and most importantly, urban authorities tried to move away from the traditional ex-post approach to evaluation. Instead, building on the innovative techniques described above, they have tried to embed evaluation processes as part of a wider learning loop, where actors are able to learn and draw lessons along the way and are able to adjust, almost in real time, their strategy and work plan.

6. Capturing and sharing the knowledge generated by UIA projects

If in this paper we tried to present the very initial lessons and trends from the first UIA Call on **how successful projects were designed**, we are firmly convinced that over the next three years UIA cities will generate an important wealth of knowledge on **how to implement innovative urban projects**.

More especially we believe that all UIA cities, during the implementation phase, will face several **operational challenges**, ranging from how to set up an effective public procurement process able to leverage innovation to how to maintain an effective participative approach able to ensure the active involvement of local key stakeholders. But also how to re-organise the municipal services to ensure a cross-department and integrated management as well as how to set up and implement a process of monitoring, evaluation and measurement.

The way urban authorities will deal with and overcome these challenges will determine the success of each project and of the UIA Initiative.

By dealing with these challenges, urban authorities will progress on their learning journey and will draw lessons and engineer new solutions that will be captured, through the key support provided by UIA Experts.

It is our firm intention to make sure that all the knowledge and lessons learnt coming from UIA projects and captured by UIA Experts will be **available to all interested policy-makers and practitioners in Europe and beyond**. We believe that this wealth of UIA Knowledge could be particularly helpful for urban authorities dealing with similar challenges, for urban authorities thinking in transferring locally some of the solutions supported in the first UIA Call, but also for urban authorities willing to apply for an upcoming UIA Call for Proposals and looking for inspiration.

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[10] See the recent URBACT publication « Applying the results framework to Integrated Action Plans" -

http://urbact.eu/sites/default/files/evaluation_guide_usu_final.pdf