Institute for Innovation and Public Purpose

MISSIONS IN ACTION

MOIN Casebook 2024
Supporting practitioner learning

Mission-Oriented Innovation Network (MOIN)
UCL Institute for Innovation and Public Purpose

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TERMINOLOGY	DEFINITION	RELEVANT READING
Bottom-up	Progress upward from the lowest levels of a system	Missions: A Beginner's Guide
Grand challenge	A difficult but important, systemic and society-wide problem with no "silver bullet" solution	
Horizontal policies and Vertical Policies	Missions are a new way to frame "vertical policies." Industrial and innovation policies require both horizontal (horizontal links within organizations and institutions) and vertical (vertical sectoral interventions) policies working together systemically.	Mission-oriented innovation policies: challenges and opportunities
Market shaping (vs Market Fixing)	Transforming the economic landscape with a sense of direction rather than just facilitating it and/or fixing market failures.	From Market Fixing to Market-Creating: A new framework for innovation policy
Mission	A concrete target, achievable step towards a grand challenge that contextualises projects	Missions: A Beginner's Guide
Mission-oriented policies	Systemic public policies that draw on frontier knowledge to attain specific goals	Mission-oriented innovation policies: challenges and opportunities
Operational framework	Abilities that are necessary to activate the set of resources (including financial resources, tangible and intangible assets, and staff skills) that an organisation needs to achieve organisational goals.	
Project	A single, isolated, clearly defined innovation activity with risky and uncertain outcomes	
Public sector Capabilities	The ability of a public organisation and its management to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments	Dynamic capabilities of the public sector: Towards a new synthesis Public Sector Capabilities Index
Sector	A defined category or subdivision of economic activity	
Top-down	Hierarchical system where actions or policies are initiated at the highest level	

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About

Institute for Innovation and Public Purpose
IIPP

The Institute for Innovation and Public Purpose (IIPP) at University College London (UCL) brings together cutting-edge academic theory with teaching and policy practice, to rethink the role of the state in tackling some of the biggest challenges facing society.

IIPP works with partners to develop a framework which challenges traditional economic thinking, with the goal of creating, nurturing and evaluating public value in order to achieve growth that is more innovation-led, inclusive and sustainable. This requires rethinking the underlying economics that have informed the education of global public servants and the design of government policies.

IIPP's work feeds into innovation and industrial policy, macroeconomic and financial reform, institutional change and sustainable development. A key pillar of IIPP's research is its understanding of markets as outcomes of the interactions between different actors. In this context, public policy should not be seen as simply fixing market failures, but also as actively shaping and co- creating markets. Re-focusing and designing public organisations around mission-led, public purpose aims will help tackle the grand challenges facing the 21st century.

IIPP is uniquely structured to ensure that this groundbreaking academic research is harnessed to tackle real world policy challenges. IIPP does this through its high-quality teaching programme, along with its growing global network of partners, and the ambitious policy practice programme.

IIPP is a department within UCL - and part of The Bartlett, ranking number one in the world for architecture and the built environment in the world.

Mission-Oriented Innovation Network
MOIN

The Mission-Oriented Innovation Network (MOIN) is IIPP's policy network and learning platform which brings together global public sector organisations to share the challenges and opportunities they face when stepping outside the market fixing box into a market-shaping role to respond to bold, difficult and complex 'grand challenges' such as climate change, ageing societies and preventative health care. MOIN's work at IIPP is complemented by its world class Master in Public Administration (MPA) and Applied Learning programmes which teach the competencies and critical skills needed for purpose-driven organisations.

INTRODUCTION

Missions are not new[1], and mission-oriented innovation policies have often played a critical role in development and post-crisis recovery across countries. At the UCL Insititute for Innovation and Public Purpose (IIPP), our work calls on governments and organisations worldwide to consider the implementation of mission-oriented policies in the face of the grand challenges facing humanity today, and to reach our collective sustainable development goals.

In adopting a mission-oriented approach, governments embrace their role as market shapers by directing innovation towards desired societal goals. By using the policy levers at their disposal and by developing their own internal capacities, mission-oriented approaches represent a whole of government investment in solving problems; catalysing innovation in multiple sectors of the economy and in partnership with the private, third sector and civil society.

The implementation of missions, however, is not uniform and while stories of practice, like these in our 2024 MOIN Casebook, help illustrate some of their various possibilities, the deployment of a mission-oriented approach is heavily dependent on contextual factors and differs greatly across actor typology, geography and scale. Furthermore, while the language and intent of missions continues to inspire action, there is a lag in filling the capability as well as analytical gaps in our governments to ensure their realisation. Without the right infrastructures, capabilities, and understanding of missions, there is a danger of missions becoming a signalling tool, rather than a powerful framework for change.

"As important policy directionality is, capacities to implement and achieve ambitious goals are as important."

Kattel & Mazzucato, 2023[3]

As a learning community between global public bodies, the Mission-Oriented Innovation Network (MOIN) continues to put together a global picture of the implementation of contemporary mission-oriented innovation policies and practices. Participants in the network apply these approaches to pressing local, regional, and national challenges; experimenting with new tools, instruments, and language; continuing the development of both theory and practice.

In our 2021 MOIN Casebook, we presented a compilation of stories documenting mission-oriented approaches in action from MOIN members. In this 2024 Missions casebook, we continue to expand the repository of mission case stories and examine how three national and three city governments developed mission based approaches, functions, organisational forms and capabilites and importantly what they learned from doing so. If the 2021 MOIN Casebook provides stimuli for inspiration of emerging practices, the 2024 Casebook focuses more on the practicality of how mission-oriented innovation policies come about and the development of institutional capacity[2] to support missions.

Designed therefore as a learning tool, we hope that you find the 2024 MOIN Casebook useful in informing your missions journey!

1 https://www.ucl.ac.uk/bartlett/public-purpose/sites/public-purpose/files/iipp_policy_brief_09_missions_a_beginners_guide.pdf

2 For more on the development of institutional capacity to support missions, please refer to IIPP's development of a Public Sector Capability Index (PSCI) https://www.ucl.ac.uk/bartlett/public-purpose/sites/bartlett_public_purpose/files/iipp_pr_2024.08_psci.pdf

3 Kattel, R. and Mazzucato, M. (2023). Mission-oriented innovation policies in Europe: From normative to epistemic turn? UCL Institute for Innovation and Public Purpose, Working Paper Series (IIPP WP 2023-09). Available at: https://www.ucl.ac.uk/bartlett/public-purpose/wp2023-09

Casebook Research - Pillars of inquiry

The 2024 MOIN Casebook presents a range of practical learnings from missions in action. These learnings are drawn from research and interviews with practitioners and are guided by 4 main pillars of inquiry, based on the work by IIPP Professors Rainer Kattel and Mariana Mazzucato[4]. These pillars relate to the drivers of missions, the support structures used to create and facilitate missions, the specific tools and methods used, as well as the institutional skills and capacities developed.

Case	Time Frame	Governance level	Challenge	Designing new institutions within government	Working across government departments	Setting new conditions for public private collaboration	Co- Investment Models	Leveraging Digital Public Infrastructure	A portfolio approach of innovative projects	Supporting and/ or leveraging bottom-up initiatives	Citizen engagement	A deliberate 'Test and learn' design ethos and model of experi-mentation
Scottish National Investment Bank	From Nov 2020	National	Setting up a mission-oriented public development bank to be a long-term, patient investor towards achieving the sustainable development goals.	✓		✓	✓		✓	✓		
a2i – Aspire to Innovate, Bangladesh	2008 - now	National	Catalysing citizen centric digital transformation of the public sector and bringing digital services to citizens with the mission of becoming a prosperous and developed 'Smart Bangladesh' by 2041.	✓	✓		✓	✓	✓	✓	✓	✓
Presidential Employment Stimulus, South Africa	2020 - 2025	National	Designing and delivering large scale, rapid public employment at new levels of scale; moving beyond some of the stereotypes of public works.		✓		✓		✓	✓	✓	✓
Recovery Missons, Greater London Authority	2020-2023	City	Restoring confidence in London post-pandemic; minimising the impact on its communities and building the city's economy and societies back better.	✓	✓		✓		✓	✓	✓	✓
Bogota Care System	2020 - 2023	City	Redistributing the inequitable burden of care work equally across all genders and recognising the significant value care work contributes to society in Bogota.		✓				✓			✓
Barcelona Right to Housing Plan	2015 - now	City	Increasing the social housing stock in Barcelona by expanding permanent green and affordable rented housing.	✓	✓	✓	✓		✓	✓	✓	✓

Table 1. Snapshot of cases and institutional capacities developed

4 Kattel, R. and Mazzucato, M. (2023). Mission-oriented innovation policies in Europe: From normative to epistemic turn? UCL Institute for Innovation and Public Purpose, Working Paper Series (IIPP WP 2023-09). Available at: https://www.ucl.ac.uk/bartlett/public-purpose/wp2023-09

A MISSION-ORIENTED APPROACH AT THE SCOTTISH NATIONAL INVESTMENT BANK

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What is the Scottish National Investment Bank and what are the drivers of this story?	The Scottish National Investment Bank is a public development bank that invests public money in businesses and projects that help address persistent, long-term challenges facing Scotland. Launched by the Scottish Government in November 2020, the Bank has been set three missions to guide its activities. The Bank makes long-term capital investments, not only for a financial return but to also create positive and sustained economic, social and environmental improvements.
What mission areas are being pursued?	Achieving a just transition to net zero by 2045: — Address the climate crisis, through growing a fair and sustainable economy. Extending equality of opportunity through improving places by 2040: — Transform communities, making them places where everyone thrives. Harnessing innovation to enable our people to flourish by 2040: — Scale up innovation and technology, for a more competitive and productive economy.
How has IIPP contributed to this work?	Plans to establish a new mission-oriented Scottish National Investment Bank were first announced in September 2017 by the First Minister of Scotland, Nicola Sturgeon. The announcement was informed in part by advice from the UCL Institute for Innovation and Public Purpose's (IIPP) Director Professor Mariana Mazzucato, who had been part of the Scottish Government's Council of Economic Advisors since 2016. Following the First Minister's announcement, IIPP was appointed to a small advisory group that was convened to lead the work of developing an evidence based implementation plan which was published in Feb 2018.
In this case story, you will learn about how the Scottish National Investment Bank:	— Developed organisational skills and culture to match their missions; — Thought deeply about how to measure impact; — Took a hands-on approach to partnerships and engagement.

This case was written based on secondary research and interviews.
It does not represent the views of the organisation.

What is the context of the case?

Like many advanced economies around the world, Scotland is facing major social, environmental, public health, and economic challenges. Sometimes referred to as 'grand challenges', these include environmental threats like climate change and demographic challenges such as ageing societies. These challenges have been compounded by the legacy of the Global Financial Crisis and subsequent austerity programme and, most recently, by Covid-19 and Brexit – both of which have undermined growth and productivity across the UK.

In response to these challenges, the Scottish Government set out bold ambitions for achieving a dynamic, inclusive, and low-carbon economy. This includes a legally binding commitment to reaching net zero carbon emissions by 2045 – five years before the rest of the UK. In addition, the Scottish Government has established a world-leading National Performance Framework (NPF), which sets out a vision for national wellbeing in Scotland across a range of economic, social, and environmental factors. The NPF consists of 11 'national outcomes' that reflect the values and aspirations of the people of Scotland and are aligned with the UN Sustainable Development Goals.

Figure 1: The Scottish Government's National Performance Framework (Source: Scottish Government)

Watch Video

Achieving the Scottish Government's vision involved investing across multiple sectors on a large scale, often in areas of high uncertainty. However, like the rest of the UK, Scotland has a longstanding problem of underinvestment – particularly at the scale-up stage. There is also a lack of patient, long-term public finance. This was exacerbated when the UK voted to leave the EU, making Scotland ineligible for European Investment Bank (EIB) funding which had previously been a major source of patient financing to support investment both in the country and across the UK.

The Scottish National Investment Bank was set up to have the ability to address 'market gaps' such as these. According to its investment strategy, the Bank is designed to be a 'patient, long-term investor' that will seek to crowd in private sector investment alongside its public capital, delivering social, environmental, and economic impacts and upholding clear ethical standards in its investments. By developing missions to respond to this lack of patient finance, the Bank has created a 'powerful combination' wherein missions provide the direction with which to address an identified problem in the economy through the deployment of capital.

How did the SNIB use mission-oriented policies to approach this challenge?

Plans to establish a new mission-oriented Scottish National Investment Bank were first announced in September 2017 by the then First Minister of Scotland, Nicola Sturgeon. The announcement was informed in part by advice from the UCL Institute for Innovation and Public Purpose's (IIPP) Director Professor Mariana Mazzucato, who had been part of the Scottish Government's Council of Economic Advisors since 2016. Following the First Minister's announcement, IIPP was appointed to a small advisory group that was convened to lead the work of developing an evidence based implementation plan. This plan was then published in February 2018, outlining a roadmap for creating a new mission-oriented Scottish National Investment Bank which "will coalesce with the wider economic landscape around a number of critical missions helping Scotland to harness its full economic potential."

"Establishing a mission-oriented public bank can be like setting up a start-up […] it takes time to cultivate and embed the skills and values conducive to being mission-oriented"

Scottish National Investment Bank Team

After an extensive stakeholder consultation process, the Scottish National Investment Bank adopted three missions centred around three grand challenges: the climate emergency; place-based opportunity; and demographic change. The missions are:

— **Achieving a just transition to net zero by 2045:** Address the climate crisis, through growing a fair and sustainable economy

— **Extending equality of opportunity through improving places by 2040:** Transform communities, making them places where everyone thrives

— **Harnessing innovation to enable our people to flourish by 2040:** Scale up innovation and technology, for a more competitive and productive economy

The missions were informed by the UN Sustainable Development Goals and are aligned with the outcomes set out in the Scottish Government's National Performance Framework. Their design was informed by the IIPP paper 'A Mission-oriented Framework for the Scottish National Investment Bank'.

2030 Mission Ambitions

Mission	Ambition		
Net Zero	"Address the climate crisis, through growing a fair and sustainable economy"	By 2030, the Bank will have invested £800 million - £1 billion in high potential Net Zero businesses and projects.	By 2030, the Bank's investments will have helped to avoid, reduce or remove 185,000 – 225,000 tCO_2e from the Earth's atmosphere.
Place	"Transform communities, making them places where everyone thrives"	By 2030, the Bank will have invested £400 million - £500 million in improving Scotland's places and communities.	By 2030, the Bank's investments will have positively impacted the lives of 350,000 – 430,000 people through regeneration, high-quality housing, and connectivity (both digital and physical).
Innovation	"Scale up innovation and technology, for a more competitive and productive economy"	By 2030, the Bank will have invested £400 million - £500 million in innovative, productive businesses.	By 2030, the Bank's investments in innovative industries will have contributed towards the creation and safeguarding of 6,300 – 7,700 jobs.

Figure 2: The Scottish National Investment Bank Mission Ambitions (Source: Scottish National Investment Bank, 2024 Impact Report)

What are the new innovations and outcomes of this approach?

The Scottish National Investment Bank officially began operations in November 2020.

To date, the Bank has committed a total of £662 million in projects supporting its missions, and crowded-in an additional £1.4 billion of third-party capital. In 2023 alone, it supported more than 1,300 jobs directly, and a further 540 jobs indirectly through the impacts of its investment. The Bank now has a total of 37 businesses and projects in its portfolio, 7 of which were added in 2023, as outlined in their most recent Impact Report.

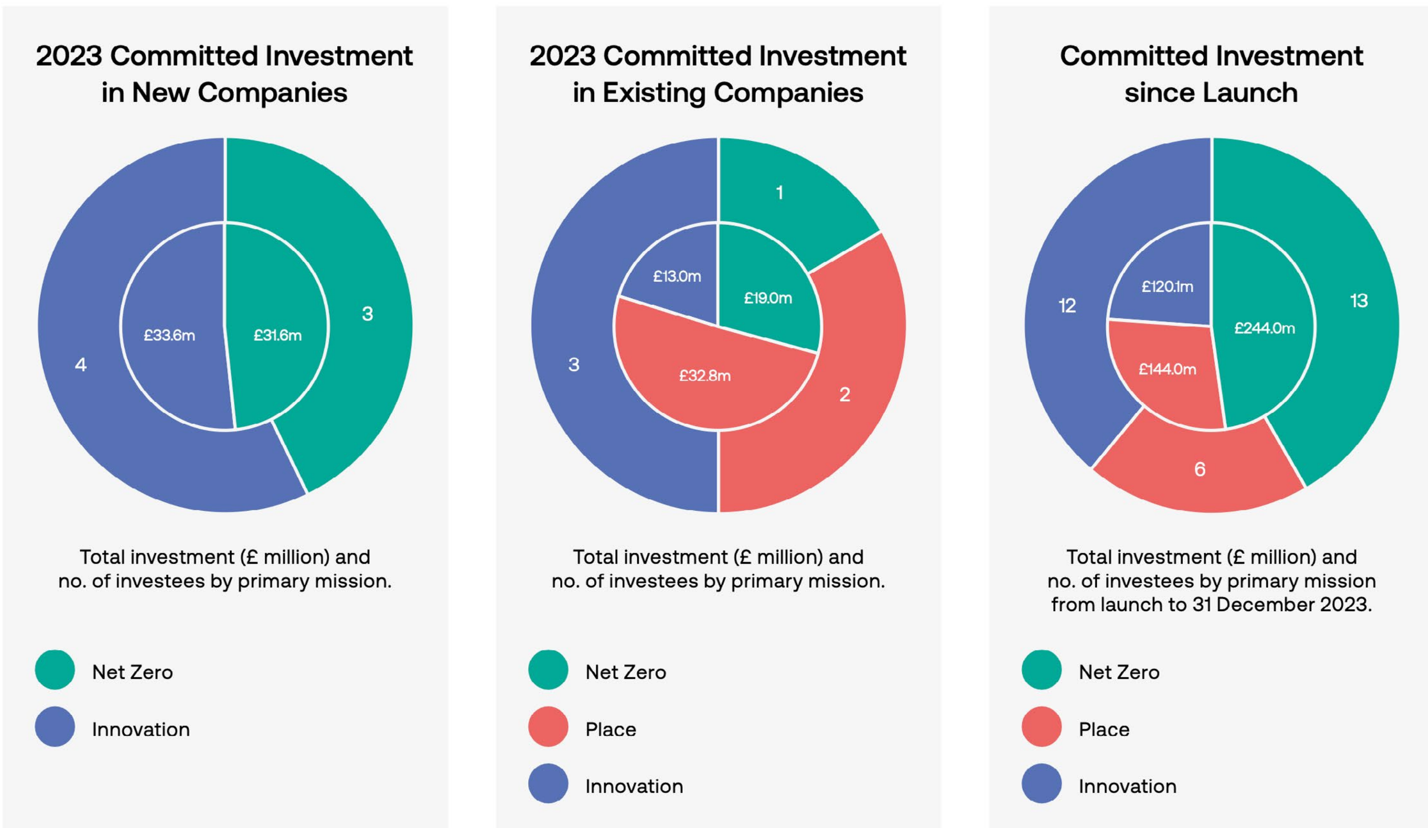


Figure 3: Breakdown of investments by mission (Source: 2024 Impact Report)

One of the notable innovations emerging from the case is the attachment of conditionalities to the Bank's investments, included to promote alignment with the Scottish Government's 'Fair Work' agenda. Under the initiative, the Bank makes its investments conditional on the recipient adopting the 'Fair Work First' criteria which seek to address significant challenges in the labour market through:

— Appropriate channels for effective voice, such as trade union recognition. Investment in workforce development.

— No inappropriate use of zero hours contracts.

— Action to tackle the gender pay gap and create a more diverse and inclusive workplace.

— Payment of the real Living Wage.

To date, 100% of the businesses and projects directly invested in align with the Fair Work First principles.

What can we learn from this case?

1. Developing organisational skills and culture to match the missions.

"Establishing a mission-oriented public bank can be like setting up a start up," described the team at the Scottish National Investment Bank; "it takes time to cultivate and embed the skills and values conducive to being mission-oriented".

The Bank's People and Culture Team have made strides to ensure the principles that the Bank is trying to promote externally are also embedded within the organisation itself. This includes promoting greater equality inside the bank so that the organisation's composition and culture reflects its external missions. The target in the Bank's Equality Strategy to "contribute to greater equality, diversity and inclusion both within the organisation itself and through its external engagement" centres on three pillars: internal organisational composition; equal access to investment; and fostering better equality outcomes through the supply chain. Last year's Interim Equalities Report reviews progress against these goals. For instance, it reports that, of the businesses and projects directly invested in, 100% have committed to undertake an annual gender pay gap analysis.

In terms of attracting talent to the Bank, they have found that the missions act as a pull-factor for new recruits. They have observed that the missions are very motivating, with people joining the Bank on account of the missions, despite competition from high-salary prospects elsewhere.

2. Thinking deeply about how to measure impact

The team at the Scottish National Investment Bank has implemented a comprehensive approach to measuring impact, making links between individual portfolio and investment levels all the way to overarching missions. They go beyond just setting missions, delving into the practicalities of

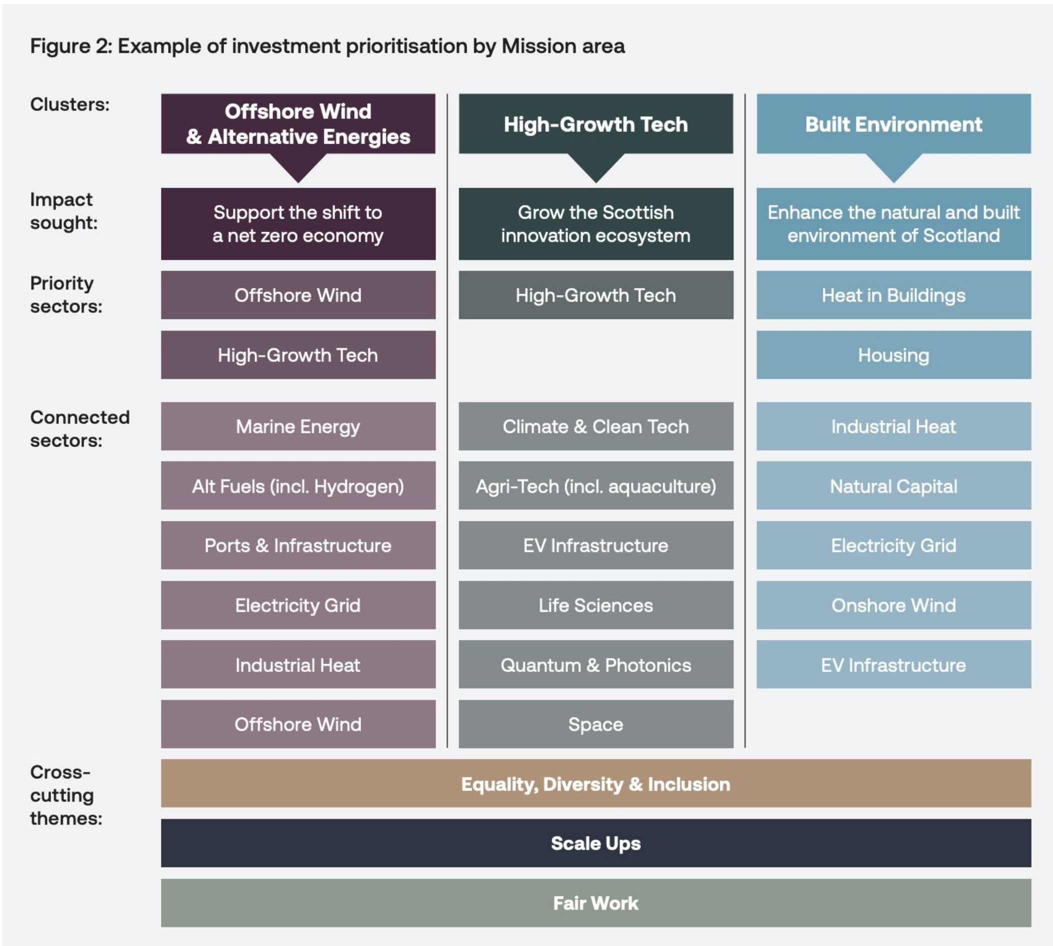


Figure 4: Investment priorities by mission area (Source: 2023 Impact Report)

how those missions translate into specific sectors and investments. Their approach is very reflective and formative: for example, the team engages in ‘deal debriefs’ to extract lessons learned about the sector, mission, and investment details after each deal they negotiate.

The Bank’s impact framework involves identifying core criteria for all investments in line with the mission areas, as well as potential additional metrics for specific investments which are developed in collaboration with companies using the Bank’s Theory of Change framework.

In their 2024 Impact Report, the Bank added several portfolio level KPIs to their evaluation metrics to provide a high-level overview of our investment impact across the three missions: these include metrics on innovation, carbon reduction, jobs supported, local authorities benefiting from investment, and renewable energy generated.

As well as using the metrics to assess the value of investment to date, the Bank uses the impact framework as guiding principles with which to assess the ‘mission fit’ for future potential investments. This involves often dealing with complex cases and value judgments, resulting in sometimes turning down otherwise ‘good businesses’ due to a lack of alignment with impact principles. Going forward, this may be even more the case, with the bank having to make decisions between competing investment opportunities according to levels of alignment.

“We should not be having to straitjacket companies”, the Bank team described when explaining the process of assessing ‘mission fit’: “it is more about encouraging them and adding additional layers.” As a state institution, they are aware of the need to “thread a relatively thin needle” by finding opportunities where there is potential impact and the commercials are good, but where there is a lack of private capital in the market to achieve the impact on its own.

3. Taking a hands-on approach to partnerships and engagement.

Beyond the initial deal, the Scottish National Investment Bank continues to work with companies, acting as a supportive investor rather than a ‘one-and-done’ approach. Since they are committed to achieving their missions, the team at SNIB will give a lot of time to support the companies who are working to do this.

Taking this proactive approach of listening to and learning from others is key to achieving the Bank’s ‘market-shaping’ goal. It collaborates with government and industry to address challenges that may not demand immediate financial solutions but will in the future, proactively identifying barriers that could require investment. “It’s not enough to just sit back and wait for investable opportunities to maybe come to us later down the line,” they described.

Anna Goulden
Research Fellow,
UCL IIPP

With contributions from: Anir Chowdhury (Policy Advisor, Government of Bangladesh) and Ishtiaque Hussain (Regional Representative for Africa, a2i)

DRIVING MISSIONS THROUGH CITIZEN-CENTRIC DIGITAL TRANSFORMATION, ASPIRE TO INNOVATE (a2i)

What is a2i Bangladesh and what are the drivers of this story?	a2i is Bangladesh's national innovation agency, established as a strategic response to the challenges facing Bangladesh. a2i catalyses inclusive, citizen-centric digital transformation of the public sector, and brings digital services to citizens with the mission of becoming a prosperous and developed 'Smart Bangladesh' by 2041.
What mission areas are being/ have been pursued?	Health: — 100% birth registration by 2024. — Universal health coverage by 2030. Education: — 10 million learners to develop transferable, digital technology and associated soft skills by 2024. Financial Inclusion: — 24 million beneficiaries of social safety net programs to receive payments digitally by 2022.
In this case story, you will learn about how a2i:	— Collaboratively developed missions based on contexts and needs; — Identified and scaled existing solutions through a decentralised, bottom-up approach; — Diffused new capabilities across the civil service.

What is the context of the case?

Local challenges:

In 2007, only 10% of Bangladeshi civil servants had computers on their desks. Public services were slow, manual, and paper-based, costing time and money for both citizens and government. Citizens had to travel long distances, spend money, and often suffer significant inconvenience and delays to access services provided via archaic, paper-based bureaucratic processes.

For citizens, this posed risks to safety, wellbeing, and equity – be it mothers having to travel long distances with newborns to access maternity allowance, or citizens falling victim to corruption with intermediaries charging fees for basic provisions. For the government, these systems were costly due to high administrative and transactional fees.

Watch Video

National challenges:

At the national level, Bangladesh was also facing severe challenges. As the world's most densely populated country, initially dismissed as a 'basket case' shortly after its birth in 1971, Bangladesh set itself on a trajectory to transition away from being a 'Least Developed Country (LDC)' and to address issues with food security, corruption and natural disasters.

The Digital Bangladesh goal was to reach middle-income status and transform Bangladesh into a digital nation by its 50th anniversary in 2021, using ICT to address some of its greatest national challenges. However, within the Bangladeshi public service, centralised and hierarchical decision-making processes and a lack of innovation tools meant that most public servants did not have the opportunity to experiment with or design improved delivery systems.

How did a2i use mission-oriented policies to approach this challenge

As a strategic response to the challenges facing Bangladesh, the Prime Minister's Office established Aspire to Innovate (a2i) – the Bangladeshi government's national innovation agency. Its mandate was clear: ensure inclusive, citizen-centric, digital transformation of the public sector and bring digital services to citizens.

Supported by the United Nations Development Programme (UNDP), a2i was conceived as the key driver within the government's Digital Bangladesh Vision 2021 agenda. It is now the flagship initiative for the nation's target of becoming a prosperous and developed 'Smart Bangladesh' by 2041.

The programme is currently working on the following missions:

Health:

— 100% birth registration by 2024;
— Universal health coverage by 2030.

Education:

— 10 million learners to develop transferable digital technology and associated soft skills by 2024.

Financial Inclusion:

— 24 million beneficiaries of social safety net programs to receive payments digitally by 2022.

> **"Unless you break the silos that exist inherently across organisations within the government, you're not solving big problems"**
>
> Anir Chowdhury, Policy Advisor,
> Government of Bangladesh

What are the new innovations and outcomes of this approach?

Since the establishment of a2i, Bangladesh has issued over 100 million digital IDs and launched over 1,500 government eServices. The citizens of Bangladesh have saved more than $30 billion dollars, nearly 20 billion workdays, and 13 billion visits due to more efficient public service delivery.

Via a distinctly 'whole-of-government approach,' a2i leverages and facilitates public sector innovation to achieve its targets. The following innovations stand out as key to the program's success:

1. Cultivating a citizen-centric public service culture, centred on 'purpose, autonomy and competence.'

a2i has introduced a new culture of public service innovation in the Bangladesh Civil Service, built on 3 pillars: purpose, autonomy, and competence.

A sense of **purpose** was cultivated by setting the target of reducing 'TCV'. 'TCV' stands for the time (T), cost (C) and the number of visits (V) it takes for citizens to access government services. The goal of 'reducing TCV' went viral within the civil service in Bangladesh, becoming a byword for innovation and acting as clear metric on which everyone agreed and understood. Rather than making innovation the explicit focus, the acronym places citizen experience at the centre with innovation as a 'welcome by-product'.

Definition of 'TCV'
An acronym to capture 3 simple parameters from the perspective of citizens:

— Time (T) to receive a service from application to final delivery.

— Cost (C) to receive a service including all cost components including real and opportunity costs from application to final delivery.

— Number of visits (V) to various government offices from application to final delivery.

The second pillar of Bangladesh's civil service culture involves giving civil servants a greater sense of **autonomy** to experiment and 'license to fail'. This cultural change has been supported by the 'Service Innovation Fund', providing civil servants with the means to experiment by developing and testing prototypes for innovations that contribute to solving community problems — as well as offering non-financial support such as mentorship and exchange. Over 1,187 innovation pilots, amounting to $4.5 million in funding, have been initiated, spanning diverse sectors including health, agriculture, education, youth development, environmental conservation and more.

The third pillar, **competence**, centres on civil servants better understanding the challenges facing citizens and using this to identify pain points and develop solutions. The introduction of 'Empathy Training' and 'Service Process Simplification' has given thousands of civil servants the tools and competencies to imagine a different world for citizens by experiencing the navigation of public services from their perspective. The starting point for a2i was not to focus on digitisation itself, but first to understand the needs of citizens and use digitisation as an enabler for change. Ishtiaque Hussain, Regional Representative for Africa at a2i, noted that "from the citizen's perspective, it doesn't really matter whether you deliver a service digitally or not… but rather that it is easier to access than before."

Empathy training is a twist on the 'mystery shopper' idea, handpicking about thirty government officers and arranging for them to experience different government offices (for instance, a teacher may go to a hospital). Having officers visit services outside their own jurisdiction was a breakthrough, said Anir Chowdhury, Policy Advisor for the Government of Bangladesh, as it "reduced [the officers] to the role of a citizen" without the administrative knowledge and other privileges associated with their roles, leading to a better understanding of the barriers citizens might face.

The second part of empathy training involves officers reflecting on their experiences as a group, collaboratively identifying problems and possible solutions with the help of some simple design thinking tools. This exchange added 'credibility,'

Source: a2i.gov.bd

explained Chowdhury, as "the criticisms [of public services] would come from peers, not from citizens."

Empathy training shows civil servants *why* to improve public services rather than how to do so, tapping into their desire to do good work and unleashing their individual innovation potential. To date, approximately 6,000 civil servants have undertaken empathy training workshops, and 1,800 pilot projects have been subsequently launched.

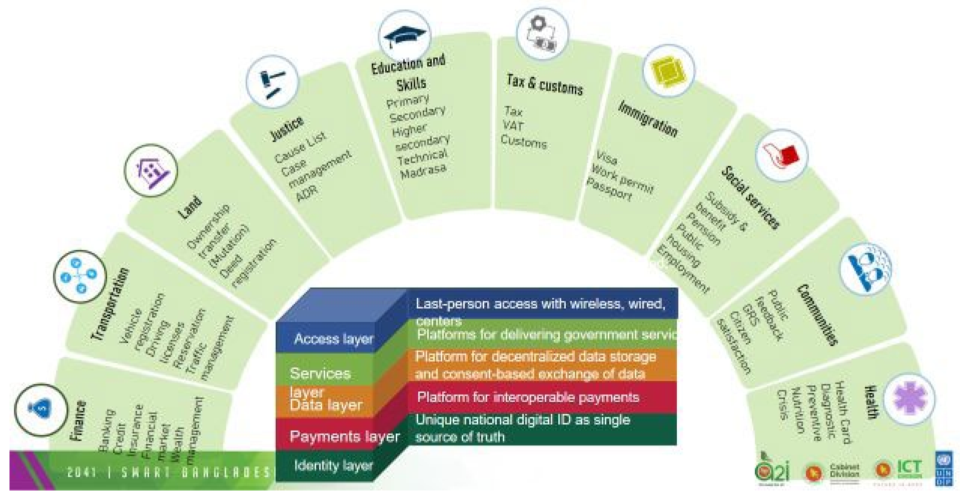
2. Advancing digital inclusion and gender equality through Digital Public Infrastructure (DPI)

Digital expansion does not necessarly lead to digital inclusion, with billions of people globally still unable to carry out essential activities online like accessing healthcare, looking for a job, or participating in the digital economy.

As part of the Bangladeshi Government's shift from being purely a service provider to acting as a facilitator of inclusive services, it designed Bangladesh's DPI to help combat issues of equality and inclusion. Unlike physical infrastructure, which involves limited construction methods, DPI can be tailored to specific contexts and needs without the same restrictions.

Based on bottom-up processes of identifying needs in the country, a2i initiated the creation of a 'phygital public infrastructure' for Bangladesh. Combining both 'digital' and 'physical' elements, the 'phygital' infrastructure improves accessibility and inclusion for citizens by making services the entry-point for DPI and incorporating an additional layer of access in the form of physical centres. It encompasses all three DPI layers: Identity (ID), Payments, and Data Exchange, aligned with SDG 16.9, SDG 8.10 and SDG 6.2 respectively.

As part of the 'phygital' infrastructure, Digital Centres have been established as a vital access layer for marginalised citizens. Through partnerships with the private sector and community-based organisations, the program empowers young entrepreneurs to work in the centres, embedding them into local digital ecosystems to facilitate scaling services for greater inclusion. There are now over 9,000 Digital Centres, located within walking distance of every villager, providing over 300 services including birth registration, land records, passports, financial services, and e-commerce. To encourage conservative rural women to access services, Bangladesh has mandated the recruitment of women to operate the centres.



Smart Bangladesh's inclusive 'Phygital Public Infrastructure' (Source: a2i.gov.bd)

What can we learn from this case?

The a2i story shows how governments with fewer resources can leverage existing infrastructure to achieve a bold, inclusive vision of digital innovation – and has become a model for both developed and developing nations. The following lessons can be learned from the program's mission-oriented approach:

1. Collaboratively developing missions based on contexts and needs.

a2i took a "non-mission-oriented approach to creating missions," described Anir Chowdhury. He explained how a2i had been using a mission-oriented approach from the beginning but, at first, did not describe it in that way; it is only in recent years that IIPP's work on mission-oriented innovation and public value has brought a new vocabulary and level of recognition to the program.

Their pathway to developing missions began with approaching the Secretary of each ministry and asking them to identify a 'quick win' that could help citizens in their domain. They then convened the Secretaries to present and socialise their ideas and, by identifying commonalities, mission areas emerged.

This process of collaboratively identifying mission areas, based on the immediate needs of government departments, enabled a2i to develop a shared sense of purpose and investment in the missions – before explicitly introducing the terminology of mission-oriented innovation. It also ensured these missions were grounded in a thorough understanding of the contexts and capabilities of civil servants, and the needs of the citizens they serve. Furthermore, the focus on 'quick wins' created urgency which helped galvanise collective support.

2. Identifying and scaling existing solutions through a decentralised, bottom-up approach.

Central to a2i's whole-of-society approach to missions has been the ability to identify and scale up existing solutions. Unlike conventional innovation agencies, a2i uses a 'Lab+' model – an approach which focusses on enabling, supporting and scaling proven solutions, as well as developing new ones.

Countries often tend to adopt a 'planner's approach,' resulting in centralised planning and top-down implementation. Instead, the a2i program has adopted a 'searcher' approach to developing its DPI – a term coined by economist William Easterly. Drawing inspiration from the likes of India Stack, Estonia's X-Road, and Singapore's Moments of Life, this has involved sourcing and implementing innovations through a decentralised, bottom-up approach founded on local knowledge.

Source: a2i.gov.bd

Digital Centres, for instance, began as a 'quick win' initiative by a local government ministry covering one service (birth registration); they were then scaled up to include over 300 services and 9,000 centres. By utilising existing solutions in communities around the country, a2i has been able to reach a large proportion of the Bangladeshi population quickly and dramatically lowered the cost of deploying new services.

Reflecting on the organisational structures that enabled their success, Anir Chowdhury identified a2i's positioning in the Prime Minister's office as key, providing the program with an important source of central convening authority. Demonstrating the value of services through action, rather than just speech has also been important for cultivating cross-government support. Furthermore, working with external organisations via public-private partnerships has helped create alignment and agreement on targets within the government itself.

3. Diffusing new capabilities across the civil service.

Actualising the Digital Bangladesh agenda has involved transforming the mindsets and skills of civil servants. In a way, a2i itself can be seen as a 'capability' – a description coined by the civil servants running the program. The program works by transferring this 'capability' to other public institutions who can then act as 'change agents' and 'ambassadors' who cascade their new capacities through to other organisations in the civil service. a2i thereby stimulates a 'snowball effect' of innovation capacity building across the Bangladeshi government. Development agencies often focus on advocating for change outside of their organisation, noted Ishtiaque Hussain, but a2i focusses on driving change from within government.

In 2013, a2i introduced the concept of 'innovation teams' in every ministry and department of the Bangladeshi government. "This was a very radical idea in a very archaic, rules-driven bureaucracy," said Anir Chowdhury. The teams, combined with financial support from the Innovation Fund, prompted civil servants to try things they otherwise would not be able to.

Source: a2i.gov.bd

Remaining challenges/barriers:

"[However], not everyone has the capacity or courage to start something new or break rules," reflected Anir Chowdhury. Furthermore, there are a lack of incentives to innovate - especially in a rule-based, hierarchical public sector where challenging the status quo can feel risky. Most innovations are by mid-level bureaucrats, he observed, perhaps because the most senior are less inclined to take risks, and the more junior officials lack sufficient knowledge of systems and authority. To stimulate innovation, a2i must find ways to challenge this organisational culture and create innovation incentives – despite constrained promotion systems and pay structures. Otherwise, said Chowdhury, "capability training would not amount to anything."

After 11 years at the Prime Minister's Office, a2i graduated to a much larger implementation role at the Cabinet ministry and ICT ministry in 2018. Now, in 2024, a2i is undergoing its biggest iteration yet: 'The Agency to Innovate (a2i) Bill' was passed in the national parliament last year, institutionalising a2i and establishing it as Bangladesh's national innovation agency.

Source: a2i.gov.bd

DESIGNING PUBLIC EMPLOYMENT MISSIONS AND UNLOCKING SOCIAL VALUE

Anna Goulden
Research Fellow,
UCL IIPP

With contributions
from Kate Philip
(Programme Lead
for the Presidential
Employment Stimulus)

What is the South African Presidential Employment Stimulus (PES) programme and what are the drivers of this story?	The PES is a collaborative program between the South African Presidency, 15 government departments, public bodies, and non-state actors across the country. It aims to tackle all-time high unemployment rates in the country by providing large-scale, rapid public investment in job creation and livelihood support to create sustained social value; moving beyond some of the stereotypes of public works.
What mission areas are being pursued?	To design and deliver public employment at new levels of scale; to be rolled out at speed and in line with the urgency of the unemployment crisis in South Africa.
In this case story, you will learn about how the Presidential Employment Stimulus:	— Turned a crisis into a mission; — Designed and delivered interventions to unlock the social value of labour – as part of 'building a society that works'; — Adopted a distributed approach to cross-government implementation and used capacity from wider society to deliver at scale.

This case was written based on secondary research and interviews.
It does not represent the views of the organisation.

What is the context of the case?

"South Africa's levels of unemployment are corroding our society and its social fabric," wrote Kate Philip, Program Lead of the Presidential Employment Stimulus (PES), in a 2021 article for South Africa's Daily Maverick newspaper.

At the time of writing, the country had spent the last year and a half grappling with some of the most devastating economis impacts of the Covid-19 pandemic. While unemployment was already a crisis before the pandemic, it reached an all-time high of 35.3% in the last quarter of 2021, with youth unemployment above 50%.

And it was not just an economic crisis, but a social one too. Unemployment was driving issues in communities such as homelessness, gang violence, domestic violence, and anti-social behaviour. Its adverse impacts included poor health, social exclusion, mental health issues, and substance abuse, to name a few.

Generally, traditional solutions to address unemployment rely on market-driven processes. But, in a context such as South Africa, faced with deep structural challenges, there was a need to address the social urgency of creating employment while also reshaping labour markets to provide alternative forms of work that markets could not.

Recognising that market-based employment levels will fluctuate, but South African society needed certainty and consistency, providing access to publicly funded, decent work at a scale that creates real social value was key. And this, in turn, could provide a 'trickle-up' stimulus to support growth in market-based employment across the wider economy.

Public employment (also known as 'public works' or 'special employment') programs offer an instrument to help shape labour markets to achieve this. However, the history of public employment programs is not always positive, and they are sometimes associated with 'low value' work and can even be stigmatising for participants.[1] This is particularly the case where they are designed as a form of 'workfare', where income support is made conditional on work, rather than where such programmes are designed as part of societal commitments to full employment and the right to work.[2]

1 McCord, A. (2012a), Public Works and Social Protection in Sub-Saharan Africa: Do Public Works Work for the Poor? Tokyo: United National University Press.

Beazley, R. and K. Vaidya (2015), 'Social protection through work: Supporting the rural working poor in lower income countries', Working paper, Oxford Policy Management, Oxford.

2 Philip, Kate (2023) 'Public employment programmes and their interface with social protection. Chapter in 'Handbook on Social Protection and Social Development in the global South', eds Patel, L, Plagerson, S. & Chinyoka, I. Elgar Publishing.

How did the PES use mission-oriented policies to approach this challenge?

As part of the country's wider Covid-19 Economic Recovery and Reconstruction Plan, in October 2020, the South African government established the Presidential Employment Stimulus (PES). It was intended to provide a significant public investment in rapid, large-scale publicly funded job creation and livelihood support. The PES's ambitions go beyond the immediate goal of tackling rising unemployment: it also aims to bring long-term value to communities across the country, be it social, economic, or environmental – with the goal of "building a society that works." Part of this process entailed reshaping labour markets on terms that do not rely solely on market demand for labour – because, as Kate Philip described, "employment matters too much to society to leave to markets alone."

While other public employment programs already existed in South Africa, co-ordinated through the Expanded Public Works Programme (EPWP), these had peaked at just over a million participants per annum in 2014/15 and have remained below this level since then. This represents coverage of just 12% of the unemployed in South Africa. In this context, the goal for the PES was to reach new levels of scale, on terms that also delivered better quality work experiences for participants and social value for communities.

The PES is a collaborative program between the Presidency, 15 government departments, public bodies, and non-state actors across the country. Its main objectives are:

— To design and deliver public employment at new levels of scale, in addition to existing public employment programs.

— To roll out at speed, in line with the urgency of the unemployment crisis.

— To create work of decent standards, that builds participants' experience and capabilities.

— To deliver real public value, linked to the pressing problems society faces, and that are typically exacerbated by unemployment.

— To ensure spatial equity and reach vulnerable groups – including women and youth.

— To build 'whole of society' approaches involving a range of stakeholders.

— To provide a 'trickle-up' stimulus to the wider economy.

Photos of teaching assistants in Basic Education Employment Intervention (BEEI) (Source: PES)

"Our society sends the message that, if labour does not have a market value, it has no value. Employment matters too much to society to leave to markets alone"

Kate Philip, Programme Lead for the Presidential Employment Stimulus

What are the new innovations and outcomes of this approach?

By December 2023, the PES had delivered jobs and livelihood opportunities to over 1.7 million participants, meeting 95.3% of its target against a budget of R42 billion. Its participants are 84% youth and 64% women. The program has recently concluded its fourth Phase, which ended in March 2024, and has recently confirmed additional funding of R7,5 billion until March 2025.

The South African government's approach is a counter case for 'trickle-down' interventions whereby measures generally stimulate growth in the core economy, on the assumption that the benefits of such growth will filter through to the rest of the population. Instead, the PES puts money directly into the hands of the communities that need it most. That money then circulates locally and 'trickles up' into the wider economy – as reflected by the name 'stimulus.' This means the informal economy and small enterprises (which are often bypassed by state intervention) benefit, local markets and supply chains are strengthened, and the multiplier effects then 'trickle up' to create jobs and other benefits for the wider economy.

Image: 'Support Scaffolding' provided by the PES (Source: 2024 Presidential Employment Stimulus Report)

Photo of Health Promoters as part of the Social Employment Fund (Source: PES)

Research and evaluations on the PES to date have evidenced this diffusion of benefits into the wider economy. For example, in a study on the Basic Education Employment Intervention (BEEI), researchers estimated that in addition to the impact of incomes in the hands of participants, the BEEI generates about R51 ($2.64) million per month in additional value for the national economy, equating to R19 ($1.01) million spent on additional employment and wages per month and R13 ($0.687) million on additional local community employment.[3]

The PES is "reimagining the role of public employment in a contemporary economic context," Kate Philip explained, "by moving beyond some of the stereotypes of public works." It prioritises the quality of work outcomes as well as diverse forms of work relevant to a wide range of policy goals. Quality work both helps to address pressing social priorities and counter some of the negative psychological impact of unemployment by giving participants a sense of purpose.

3 Bassier, I and Budlender, J. 2024. Stimulus effects of a large public employment programme. Research Paper No. 305, Agence française de développement.

Photos of teaching assistants in Basic Education Employment Intervention (BEEI) (Source: PES)

“You can’t just drive these things from the centre or above… it has to be a coalition of the willing”

Kate Philip, Programme Lead for the Presidential Employment Stimulus

What can we learn from this case?

1. Adopting a distributed approach to cross-government implementation, and using capacity from wider society to deliver at scale

While strategic design, input, and oversight for the PES is provided by the Project Management Office in the Private Office of the President, implementation has been undertaken by fifteen government departments. These span a range of impact areas including education, early childhood development, subsistence agriculture, the creative sector, science and tourism. All the programs are funded by the South African fiscus, through allocations made by the National Treasury.

Despite being a small unit within the Presidency, this collaborative, multi-pronged approach to implementation has enabled the PES to reach large scale quicky – responding to the urgent needs of the pandemic. Rather than setting up new governance systems and institutions, the PES implemented all its programs through existing departmental structures. While the Presidency set the tone with its strategic oversight, leadership, and policy drive, Kate Philip noted that there was an open invitation for others to be part of the program. “You can’t just drive these things from the centre or above… it has to be a coalition of the willing,” she said.

Source: PES

As well as the PES’s cross-government approach to implementation, it utilised distributed networks and capacity from wider society - such as the private sector, civil society, and community groups - to accelerate delivery via collaborative models. For example, the Basic Education Employment Intervention (BEEI), run by the Department of Basic Education, leveraged the country’s existing network of schools for its rollout. It was therefore able to scale quickly and achieve an equitable spatial footprint because it was implemented through an existing, highly distributed system: every community in the country has a school. Now, it has become the biggest youth employment program in South Africa’s history and has placed over 1 million young people as teaching assistants in more than 23,000 schools. While the program overall has reached significant scale, it not has not overwhelmed the management and administrative systems of individual schools: since over 23,000 schools have opted to participate, each school has taken on only 10-20 school assistants per cycle.

By setting the strategy from the centre but then inviting bottom-up ideas, the Presidency has avoided over-designing programs. For example, in the case of Social Employment and the Creative Sector, they set some core principles and then created mechanisms to fund initiatives that met these criteria. As part of these principles, applicants were challenged to achieve scale (for example, for social employment initiatives, applicants had to create at least 1,000 jobs). At first, there was some resistance to this (given, many community-level programmes were at most employing 100 people). But then civil society rose to the occasion, forming partnerships to reach scale, showing outstanding initiative, quality and creativity.

Photos of teaching assistants in Basic Education Employment Intervention (BEEI) (Source: PES)

Challenges:

Short timelines have posed challenges for collaboration with partners. Starting with only five months of funding for programs in Phase One, the PES has had to convince partners to invest in partnerships without the guarantee of a long-term relationship. Additionally, supporting departments to design for scale has been one of the hardest aspects of the PES. Most government departments had not previously had the budget to reach the level of scale they were seeking and often lacked the capabilities and 'implementation courage' to do so. In practice, while fifteen departments have contributed to the PES, 99% of the opportunities delivered have come from just five of them.

Since funding for the PES was renewed, the focus is on taking impacts and outcomes to the next level, while also institutionalising the best performing programs within ongoing strategies to combat unemployment. "We've come far… but we need to go further," wrote the President Cyril Ramphosa in the PES 2024 Report, "let's keep our foot firmly on the accelerator."

Watch Video

A MISSIONS-BASED APPROACH TO RECOVERY AT THE GREATER LONDON AUTHORITY (GLA)

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With contributions from: Sandy Tung (Principal Policy Officer, Innovation and Technology at the Greater London Authority) and Tim Rettler (Area Manager South, Regeneration and Growth Strategies Team at the Greater London Authority)

What is the London Partnership Board at the GLA and what are the drivers of this story?

The London Partnership Board (LPB) was established in March 2023 by the Greater London Authority (GLA). It is a unique board of London's leaders who come together to address London's challenges, providing strategic advice to policy and decision makers across the capital and beyond. The LPB evolved from the work of the London Recovery Board (LRB 2020- 2023), a new initiative established by the Greater London Authority during the COVID-19 pandemic which formulated nine pandemic recovery missions. Building on this experience and evolving their mission-based approach, the LPB aims to enable the city to respond to current and future complex and cross-cutting challenges by convening London's leaders and fostering collaboration between the city's partners at local, sub regional and city level to achieve shared goals.

What mission areas are being pursued by the LPB?

Environment
— Helping to ensure London is on the path to net-zero carbon emissions by 2030; responding to the climate and ecological emergencies; and improving London's air quality to meet World Health Organization guidelines across our city.

Housing
— Increasing the numbers of Londoners who have a safe, decent and affordable home

Economy
— Delivering our commitment to good growth and prosperity while ensuring London's economy works for all Londoners

Children and Young People
— Working so children and young Londoners in need have the right positive opportunities to fulfil their potential.

Skills
— Working to ensure Londoners have the right skills to access decent, well-paid jobs; and that London's businesses have access to the skills they need to grow.

Health
— Reducing London's health inequalities – that is, reducing the link between Londoners' health outcomes and their incomes or backgrounds – and working with partners to ensure Londoners have the best health outcomes.

Social Justice
— Working to ensure that Londoners of all backgrounds feel welcome and can play a full and equal part in the life of our city.

Global City and Culture
— Working to promote London as a world-leading city; supporting our cultural and creative institutions; promoting tourism; and strengthening London as a world-leading destination for business and leisure.

In this case story, you will learn about how the Greater London Authority:

— Adopted and adapted a mission-based approach in the Covid-19 pandemic era and evolved its missions and its board structure beyond the emergency time;

— Invested in an open-innovation process;

— Facilitated and promoted less formalised coordination and collaboration.

What is the context of the case?

The Greater London Authority (GLA) is the democratically elected strategic authority for London and is a unique authority in the government of the UK. It comprises two distinct parts, the Mayor of London, and the London Assembly. It was established in 2000, following a London wide referendum to approve proposals for an elected London-wide body. The Mayor of London is the executive of the GLA, and is responsible for its core functions: transport, policing, fire and rescue, planning, and housing. The London Assembly has 25 members, elected using the Additional Member system. There are 14 Assembly constituencies, which are made up by combining two or three London boroughs, and the remaining 11 Assembly members are elected from a London-wide 'top-up' list. The Assembly scrutinises the work of the Mayor via committees and plenary sessions[1].

The onset of the COVID-19 pandemic in early 2020 revealed deep-seated inequalities in London, despite significant measures taken by local and national governments to control the spread of the virus. As the city started to look beyond the initial wave of the pandemic, the Greater London Authority (GLA) and the Mayor of London saw the

1 The Greater London Authority, House of Common Library https://researchbriefings.files.parliament.uk/documents/SN05817/SN05817.pdf

transition to long-term recovery as an opportunity to address the 'Grand Challenge' of "restoring confidence in the city, minimising the impact on London's communities and building back better the city's economy and societies".

Mayor Sadiq Kahn solidified this vision by convening a new initiative, the London Recovery Board (LRB) in June 2020, which would oversee the London Recovery Programme. The Mayor convened representatives from various anchor institutions alongside the public sector to take on the city's pandemic-catalysed grand challenge.

How did the London Recovery Board (LRB) use mission-oriented policies to approach this challenge?

To address this challenge, the London Recovery Board formulated nine recovery strategies. These strategies were developed through a transparent reflection on the Greater London Authority's (GLA) independent capabilities and areas where proactive measures could make a significant impact, thereby motivating other participants to act. Using the mission-oriented approach developed by UCL-IIPP's Professor Mariana Mazzucato, nine recovery missions were then specified to guide the projects and actions taken by the Board. The Board was supported by a Recovery Taskforce, which coordinated actions to meet these challenges, working in partnership with local authorities, health and care bodies, business groups, trade unions, the voluntary sector, academia, national Government, and other bodies.

While the London Recovery Board (LRB) was dissolved in March 2023, it evolved into the London Partnership Board (LPB). The LPB inherited key workstreams and missions from LRB and many successful aspects in its way of working. Like the previous board, the LPB is chaired by co-chaired by the Mayor and the Chair of London Councils – previously Councillor Georgina Gould of London Borough of Camden and now Councillor Claire Holland of Lambeth Council.

"When we set up the London Recovery Board, we could never have imagined how that partnership could be so meaningful and deep as it is [...] it's beggars' belief that in the history of our city that we have never had that close relationship before."

Mayor of London, Sadiq Khan

The shift from LRB to LPB acknowledges the fact that London faces multiple challenges. Reflecting on early learnings, there was an emphasis on applying cross-cutting mission principles going forward, with a focus on a green and sustainable recovery, seeking to reduce inequalities and promote health and wellbeing.

A key intention of the LPB is to put the collaborative model developed during the Covid-19 pandemic on a longer-term footing; as a continuous partnership strategy. This also includes confronting new and escalating issues such as the cost-of-living crisis and homelessness in the city. Within a challenging economic context, the LPB will concentrate on a handful of areas where it can have the most significant impact, including a fundamental role in advocating for London on key issues such as devolution. Table 1 outlines the changing mission areas of the London Recovery Board (LRB) and the London Partnership Board (LPB) pre- and post-pandemic.

London Recovery Board's 9 Missions (Post Covid- 19 response, June 2020- March 2023)	**A Green New Deal** Tackle the climate and ecological emergencies and improve air quality by doubling the size of London's green economy by 2030 to accelerate job creation for all.	**A Robust Safety Net** By 2025, every Londoner can access the support they need to prevent financial hardship.	**High Streets for All** Deliver enhanced public spaces and exciting new uses for underused high street buildings in every Borough by 2025, working with London's diverse communities.	**A New Deal for Young People** By 2025, all young people in need are entitled to a personal mentor and all young Londoner s have access to quality local youth activities.	**Good Work for All** Support Londoners into good jobs with a focus on sectors key to London's recovery.	**Digital Access for All** Every Londoner to have access to good connectivity, basic digital skills and the device or support they need to be online by 2025.	**Mental Health & Wellbeing** By 2025, London will have a quarter of a million wellbeing ambassadors, supporting Londoners where they live, work and play.	**Healthy Food, Healthy Weight** By 2025, every Londoner lives in a healthy food neighbourhood.	**Building Strong Communities** By 2025, all Londoners will have access to a community hub, ensuring they can volunteer, get support and build strong community networks.	
GLA: Mayor of London's Themes London Partnership Board (March 2023- ongoing)	**Environment** Helping to ensure London is on the path to net-zero carbon emissions by 2030; responding to the climate and ecological emergencies; and improving London's air quality to meet World Health Organization guidelines across our city.	**Housing** Increasing the numbers of Londoners who have a safe, decent and affordable home.	**Economy** Delivering our commitment to good growth and prosperity while ensuring London's economy works for all Londoners.	**Children and Young People** Working so children and young Londoners in need have the right positive opportunities to fulfil their potential.	**Skills** Working to ensure Londoners have the right skills to access decent, well-paid jobs; and that London's businesses have access to the skills they need to grow.		**Health** Reducing London's health inequalities – that is, reducing the link between Londoners' health outcomes and their incomes or backgrounds – and working with partners to ensure Londoners have the best health outcomes.		**Social Justice** Working to ensure that Londoners of all backgrounds feel welcome and can play a full and equal part in the life of our city.	**Global City and Culture** Working to promote London as a world-leading city; supporting our cultural and creative institutions; promoting tourism; and strengthening London as a world-leading destination for business and leisure.

Table 1. The shift from LRB to LPB: Changing mission areas

What are the new innovations and outcomes of this approach?

Transforming Institutions

The Greater London Authority (GLA) operates under the Greater London Authority Act. Since its inception in 2000, it has evolved from a straightforward policy strategy organisation, where directives were primarily issued by the mayor. Now, the GLA has shifted towards delivering programmes in partnership with London boroughs, key stakeholders and communities. This involves policy setting, convening, direct intervention, piloting new initiatives, pushing agendas for the implementation of new programmes, and the need to develop new capabilities and capacities. The pandemic has further accelerated this transformation. The legacy of the London Recovery Board, combined with an appetite for doing things differently, has sparked ongoing conversations - a development that is seen internally as both positive and beneficial.

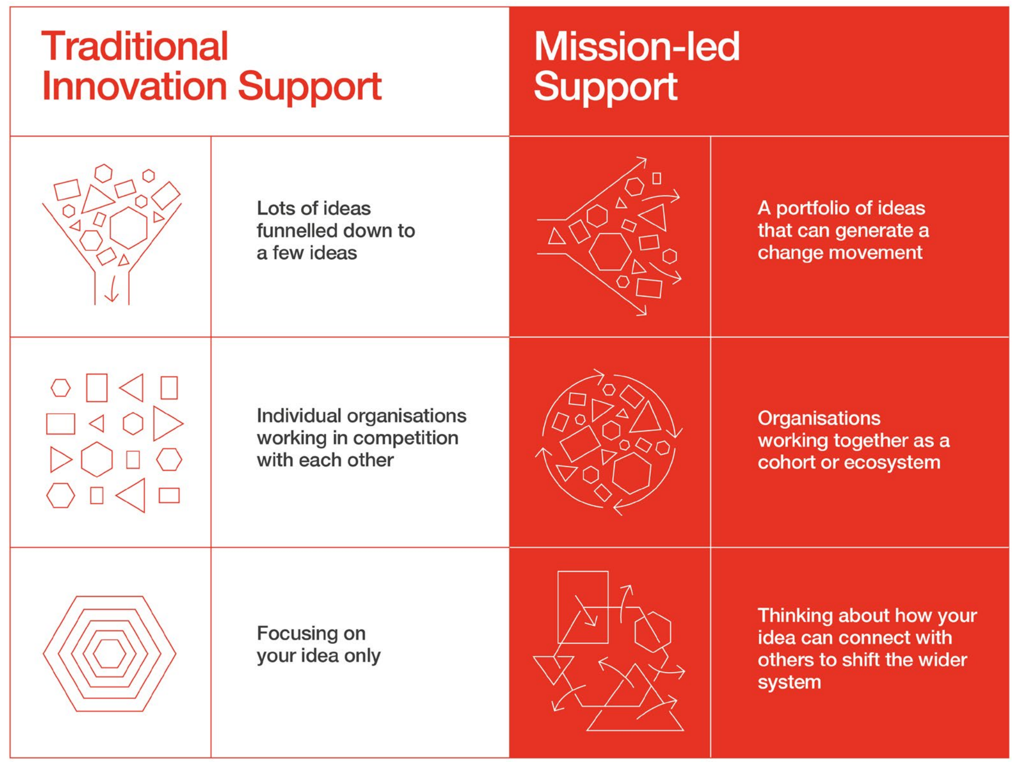
New collaborative models and skills for innovation

London's Recovery Missions charted a new path forward for how the city approaches strategic innovation at the metropolitan scale. A key component of the operational framework was **creating a portfolio of smaller innovative projects** that can be scaled over time as ideas are stress-tested on the ground and generate a response from diverse actors. While these projects are being tested at a small scale, there is also an emphasis on bringing the innovation teams together to collaborate in an ecosystem, creating the potential to produce synergies and unexpected ripple effects between the mission areas. Furthermore, the teams implementing these innovation projects joined coaching sessions with experts in design thinking and methods to explore possibilities for collaboration with unsuspecting actors, creating opportunities for new delivery models to emerge. This collaborative framework is an innovation model for London, a key aspect of its mission approach.

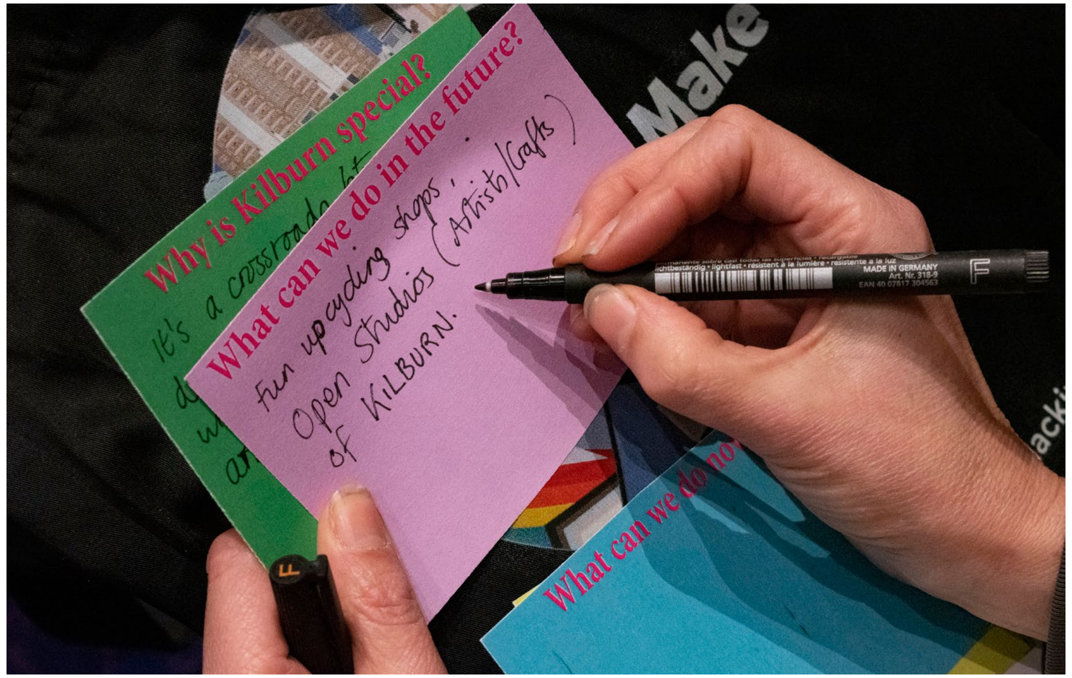
For example, Designing London's Recovery – a £500,000 open innovation challenge supporting 11 multi-disciplinary teams to co-design new products or services - was set up as an open, collaborative, systemic, and design-led approach to tackle four of the nine recovery missions. The programme aimed to pioneer a new way of working with organisations across London to solve the city's 'wicked' problems, using a method that ensures solutions are designed with Londoners' needs at the heart, especially those most vulnerable and hardest hit by COVID. The aim was to explore new ways for designers and innovators to engage with systemic challenges and shift behavioural patterns and mindsets. To do this, the GLA partnered with the Design Council and UCL CUSSH to pilot a new, innovative approach to grappling with London's recovery challenges– working with stakeholders across the system to innovate with new solutions. The programme combined some of the core principles of mission-based innovation; direction from Government, co-design between innovators, and cross-sectoral experimentation, with the Design Council's approach to systemic design.

"Working with experts in open innovation (such as the Design Council) enables challenges set by City Hall to be opened up to London's innovators, and to support them to develop their ideas in a design-led, iterative way, which is often beyond the current capabilities of the public sector."

Theo Blackwell
Chief Digital Officer, Greater London Authority



Inspired by Building Better Systems: A Green Paper on System Innovation by Charles Leadbeater & Jennie Winhall, October 2020. Source: Design Council



Source: GLA

Bottom-up Solutions to Societal Challenges

The missions approach requires new levels of collaboration across the public, private, and voluntary sectors.

An exemplary mission programme is the High Streets for All Challenge, which has been a flourishing initiative by the LRB with the aim of revitalising public spaces and finding innovative uses for underutilised high street buildings across all London boroughs. This initiative has fostered collaboration among local authorities, communities, and business groups, as well as cultural and third sector organisations. In response to an open call in March 2021, 34 high streets were each granted a £20,000 fund. This funding was aimed at fostering partnerships across public, private, and third-sector entities, promoting local engagement, and assisting in the development of their ideas. To date, the High Streets for All Challenge participants have secured over £4.6m match funding from other sources, involving over 370 organisations in partnership activities. Over 700 businesses have been supported, and over 340 events held. A learning network has been established to surface and share innovation whilst providing technical expertise on key issues from licensing and regulation to urban design. The LRB believes that a collaborative, design-led approach to leverage innovation and creativity is key to the success of the mission.

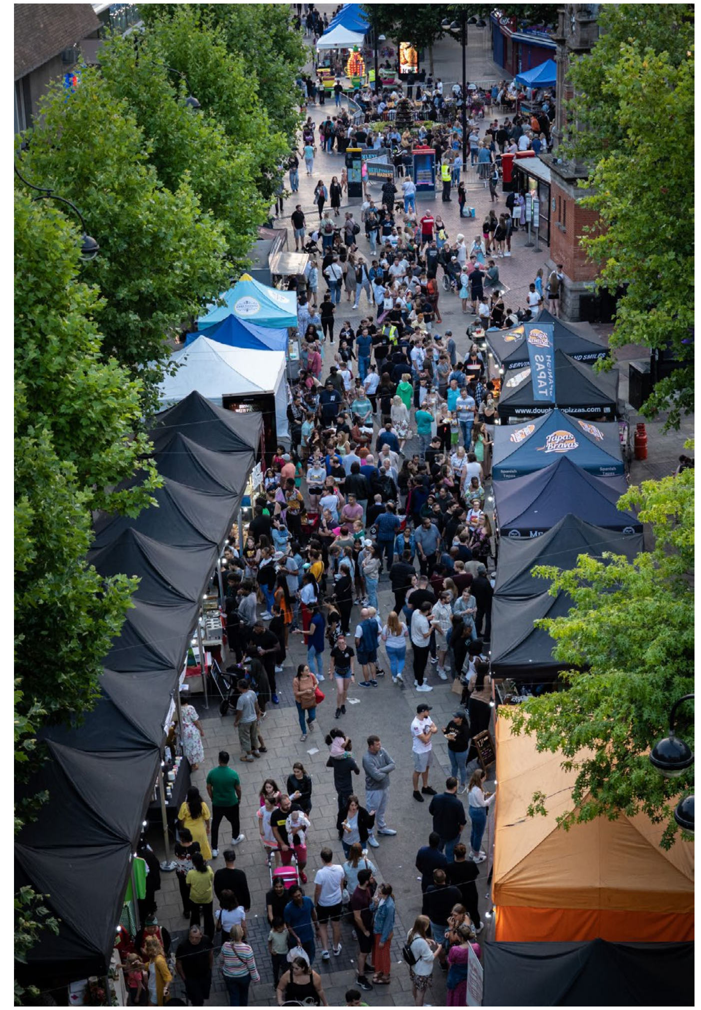
Obstacles and Risks

Multiple Challenges and Missions

An obstacle for the GLA is to address multiple challenges simultaneously while maintaining focus. London has nine recovery missions which, while overlapping and connected, is a significant number to address. The GLA, London Councils, and the actors involved in mission implementation had to maintain focus on ensuring that mission-oriented innovation could be sustained within a context where several missions are competing over limited capacity and resources. While the way of working and collaborative mindset of the LRB to the city's recovery were deemed 'overwhelmingly positive' by the board members they also advocated for "fewer and more focused missions".

Demand for Resources

Besides meeting the ambitious demand of the missions in terms of time commitment and expertise, the LRB also needed to adapt to the unique requirements of running multiple innovation challenges and shifting from responding to market failures to actively shaping markets and filling market gaps. For the GLA and other organisations, the challenge-oriented approach needed to break down silos, demanding that the Recovery Taskforce allocate time and resources to work alongside innovators. While GLA colleagues may be interested in assisting, they often lacked the time to provide in-depth insights as challenge-oriented policies require significant time and resources to break down organisational silos



Source: GLA

and work alongside local innovators. While the LRB attempted to overcome this barrier by hosting open-innovation competitions, a key difficulty for teams was ensuring clear communication of intentions, roles, and providing support across the many partner organisations and projects they were working with.

Political Risks

Political change is a clear risk for adopting the missions-based approach. The transition from Recovery Board to Partnership Board is not only the result of London's emergent challenges after Covid but also reflecting the mayor's new priorities/thematic focus. Shifts in priorities occur cyclically every 4 years, while achieving missions requires longer-term planning, budgeting, and central efforts.

Monitoring and Evaluation

It's important to note that the impact of this work is not immediately visible. It takes time for businesses and communities to see their innovative ideas turned into tangible outcomes. Innovators are required to submit a final report according to set milestones, which is a standard process. The aim is to follow up with innovators, although it's acknowledged that the consistency of this follow-up has varied. Efforts have been made to assess the impact, and an evaluation of challenges has been commissioned. There is consideration to repeat this in the future and informal check-ins with the challenge alumni are often conducted.

What can we learn from this case?

Less formalised collaboration and coordination

The LRB has illustrated the importance of smooth collaboration and coordination in addressing grand societal challenges. Coordination across councils and departments had to be enhanced to accommodate complex project coordination. The LRB fostered a more collective and less siloed approach to issues. As the High Streets for All Challenge showed, less formalised organisation and more in-person meetings are key to the success of a challenge.

Invest in an open innovation process

The path to implementing the collective aspirational mission vision is expressly being driven through an open innovation process. The GLA and London Councils recognised that new capabilities are needed both internally and externally to achieve the missions. Subsequently, both have begun to internally develop new capabilities such as systemic design and a culture of bottom-up experimentation.

Source: GLA

Adapting and iterating the approach based on learnings

The mission-oriented policy approach has successfully made the decision-making process for funding and support more focused, whilst allowing rooms for adaptation and flexibility within each programme. The London Partnership Board is now at a point where it would be beneficial to assess the missions to streamline them and highlight their key objectives.

Appendix:

1. List of Participating 'Innovation Teams' in the Design Council's 'Designing London's Recovery' Programme:

- Kafei Ltd
- Breakthrough Social Enterprise
- Catch 22 Charity Ltd
- London Borough of Newham
- Islington Council
- Roehampton University, Wandsworth Council, Royal Horticultural Society, FabricSpace
- Silver Startups & Inploi
- The City and Guilds Institute & Crown Estate
- Capital Enterprise (UK) Limited
- Play Build Play CIC
- Shared Assests CIC, Sustain, Capital Growth, Organiclea, Cohere Partners, Ubele Initiative
- Sustrans & Livework
- Dark Matter Laboratories
- The Helen Hamlyn Centre for Design (RCA) & PiM Studio Architects
- Pattern Project Ltd & A Small Studio
- The Poetry Translation Centre
- Camden Council & Central St. Martins
- The Community Brain CIC & Kingston Council
- Pupils Profit
- Kingston University

2. (Non-exhaustive) List of Participating organisations in the 'High Streets for All' Challenge (excerpt)

- Purley Business Improvement District
- Station to Station Business Improvement District
- Power to Change
- One Kilburn (Community Improvement District pilot)
- Camden Black Creatives
- Hackney Wick and Fish Island Community Development Trust
- Residents of Angel Edmonton Community Together (REACT)
- Fore Street for All CIC
- Somali Advice and Forum for Information (SAAFI)
- Mountview Academy of Theatre Arts, Peckham
- Wealdstone Traders' Association
- Make It Barking Ltd
- Future Wood Green Business Improvement District
- Ubele
- onRechurch CIC
- Hounslow Arts Centre
- Creative Land Trust
- W3 Hive CIC

Ryan Bellinson
Senior Research
Fellow, UCL IIPP

ADDRESSING HEALTH AND CARE INEQUALITIES THROUGH A NEW 'CARE SYSTEM'

What was the Bogota Care System and what are the drivers to this story?

Following her election in 2020, Bogotá Mayor Claudia Lopez quickly pursued her mission to address inequalities in care. She worked closely with the city's administration to create a new 'Care System'; a system of public services and infrastructure such as physical care blocks, mobile care buses, and door-to-door care, intended to lessen the care burden on women in the city, who were disproportionally affected.

With 30% of the city's female population (1.4 million women) working ~10 hours per day doing unpaid care work, there was a pressing need to lift the care burden to empower these women to improve their well-being and to reduce the time dedicated to unpaid jobs/tasks.

What mission areas were pursued?

The Care System is driven by:

Recognition
— Recognise the contributions of care givers.

Redistribution
— Redistributing the responsibility of caretaking.

Reduction
— Reduce the proportion of women's unpaid care work so that they can pursue personal development.

In this case story, you will learn about how Bogotá:

— Harnessed capabilities for cross-sectoral development;

— Developed an experimentation practice;

— Leveraged flexible finance;

— Integrated urban 'spatial distribution'.

This case was written based on secondary research and interviews.
It does not represent the views of the organisation.

This case study was written whilst Claudia López was the Mayor of Bogotá and the Secretariat for Women was led by Diana Rodríguez, both of whom are no longer involved in the Care System since Carlos Fernando Galán became mayor on 1 January 2024. As examined below, Bogotá's Care System was a major priority of former Mayor López and, as such, will likely be reshaped under current Mayor Galán. It is common for a mission to be championed by a political figure giving the initiative prominence and notoriety – but maintaining momentum behind the mission following a political change can be difficult as explored recently by a group of local government civil servants.

What is the context of the case?

In Colombia's capital, Bogotá, women are disproportionately responsible for unpaid domestic care work. Conventionally, care work is unpaid, assumed to be a women's obligation, and generally undervalued. The care burden in Bogotá, particularly for the city's low-income and poor, restricts women's time, limiting their potential for professional development, economic stability, and ability to participate in political processes, overall restricting their autonomy as individuals. The issue of female time poverty is a manifestation of structural gender inequalities.

1.4 million women in Bogotá – 30% of the city's female population – spend an average of ten hours per day doing unpaid care work.[1] The grossly disproportionate distribution of responsibilities leaves the majority of the city's women 'time poor', depriving 70% of women of the opportunity to pursue educational opportunities and leaving 90% poor or on a low income. Moreover, Colombia's machismo or male chauvinist culture is the prevailing social norm where men's interests are elevated over women's needs.

1 Rodriguez, D., F. Bogotá: *Transforming women's unpaid care work in times of the pandemic*. Accessed online: https://newcities.org/well-being-bogota-diana-rodriguez-franco/

In 2020, Bogotá began addressing this challenge head-on through the *Care System* – a system of public services and infrastructure designed to lessen the disproportionate care burden placed on women and transform society to become more equitable. The Care System seeks to distribute public services through physical buildings known as Care Blocks in the city's dense core; mobile Care Buses in harder-to-reach peripheral areas; and 'Door-to-Door Care' for households where a care receiver is immobile or has a high level of dependence.

The Care System began in January 2020, at the start of Mayor Claudia López's new leftist, progressive administration. As of June 2022, the Care System has delivered over 130,00 services to caregivers.

The Care System strives to transform care work, redistribute the care burden equitably across genders, and enable women to have equal autonomy and freedom as men. The city's current population is about 11 million people, with approximately half being women.

Reframing care:

In the context of the Care System, care work is broadly defined as the multitude of necessary activities that are undertaken to sustain the development and wellbeing of others who have different types of dependency. Often done in the shadows, care work historically hasn't been viewed as having societal 'value'. In recent years, however, Latin America's feminist movement has highlighted the cultural, social and economic inequalities of who is burdened by care work as well as their important contribution to society. A product of this movement's militancy, for example, was the passage of Law 1413 (2010)[2], ratified by the Congress of Colombia in 2010, legally requiring the country's national statistics agency to collect data monitoring the economic value of the care economy and its contribution to Colombia's GDP.[3]

In addition to social aspects perpetuating the disproportionate care burden that befalls women, Bogotá's female residents' time poverty is further exacerbated by the built environment. During Colombia's recent 70-year period of conflict, Bogotá's population swelled from internal displacement, leading the city to expand quickly. This has led the city's insufficient mobility system to become overburdened, and the under-resourced public transportation system has struggled to keep up with demand. As a result, low-income and poor communities must travel great distances from their homes to work, secure goods or access services.

2 Law 1413 of 2010 requires that the care economy be included in the National Accounts System (SNA) of Colombia. see UN Women. (2018). *Progress of women in Colombia 2018: Transforming the economy to guarantee rights.* Pg 12.

3 OECD. (2020). *Overview of gender equality in Colombia.* In Gender Equality in Colombia Access to Justice and Politics at the Local Level. OECD Publishing, Paris.

How did the 'Care System' use mission-oriented policies to approach this challenge?

When Claudia López ran for mayor in 2019, local feminists advocated for her to address the inequalities of unpaid domestic care work if elected. After taking office on 1 January 2020, Mayor López immediately worked with the city's administration to design a plan to achieve 'the three R's' of *redistribution*, *reduction* and *recognition* – the guiding mission principles of how a caring democracy could advance an urban social agenda for equitable care work developed in 2013 by the city's then Women's Affairs Department. To advance this initiative, Mayor López worked to catalyse and direct the decades of activism and political organizing by tasking the Secretariat for Women at the Mayor's Office to design the Care System and mobilise action.

Under the Secretariat for Women's leadership, decision-makers involved with designing the Care System were encouraged to develop experimental governance structures and delivery practices. Beginning with the starting point of the three R's (redistribution, reduction, recognition), decision-makers adopted a 'design-and-test' approach for sparking action quickly and generating learning. As the activity began, those involved were encouraged to identify opportunities for pursuing co-benefits between actors to enable deep collaboration that could further the aims of the Care System and share responsibility for resourcing and implementing programs.

The Care System recognised that experimentation requires action quickly, never allowing perfection to be the enemy of the good.

What are the new innovations and outcomes of this approach?

The Care System is a unique systemic approach to reorganizing new and existing built infrastructures and public services in physical clusters across Bogotá, governed and managed by newly integrated institutions. The system is founded upon the premise that the care economy serves an essential public good, and equitably distributing unpaid domestic care work across genders demands both material and cultural transformation.

The Secretariat for Women led an extensive research process to determine what public services would be most effective for redistributing unpaid domestic care work. This knowledge was then used to identify the suite of public services arranged within the Care System, from wellness and entrepreneurship training to day care and flexible high school programs, as well as physical education and psychological services.

Overcoming silos:

Working with Secretariats across the local government in a cross-silo unofficial team, and with other public sector organizations from the local and national government, the Care System inclusively designed its delivery model to cater to the mobility needs of different typologies of caregivers and receivers through what has become the Care Blocks, Care Buses, and Door-to-Door Care. Care Blocks are physical building distributed throughout the city where residents can seek services; Care Buses are mobile service delivery centres that travel to rural communities within Bogotá's city limits where mobility options may be limited for residents; and Door-to-Door Care are small units of social worker that travel to residents' homes to provide services to those who are unable to leave their homes due to physical disabilities. The services provided through the Care Blocks, Care Buses and Door-to-Door Care are identical, the different delivery models have been created to ensure regardless of a carer and care receivers needs, they are able to access the Care System's services. Care System services range from educational opportunities for carers, social care support for care receivers, banking and legal services, and physical education activities amongst others. This innovative model of service provision and delivery has enabled Bogotá to address gender, economic and social inequalities through a set of holistic and integrated lenses.

Extracted from "2021 Wellbeing Cities Award Winner Bogotá" video.

Challenges:

In terms of the future, there are four primary obstacles the Care System must address if it is to remain resilient and expand its impact:

— **Building trust with the public**
Colombia is a country that has suffered from decades of violence, political instability, and corruption. These societal traumas have left deep wounds, a suspicion towards political agendas and a lack of trust in public institutions. If the Care System is to successfully spark societal transformation that overturns longstanding cultural norms which marginalize women, Bogotá will have to cultivate new social values by engaging the public through deeply collaborative approaches that can rebuild trust.

— **Regulatory formalization**
Bogotá's mayor can only be elected for one consecutive four-year term, with at least one election cycle passing before seeking a second term. When Mayor López's term ends in 2024, there will likely be limited legally binding policy structures to enshrine the Care System's continued existence. The city's 12-year Master Plan, Public Policy for Women and Gender, and 'Directorate for the Care System' are all medium-term policies that have formalized the Care System but do not shield it from political cycles.

— **Sustainable financing**
Currently, the Care System is not financed through any long-term funding mechanism beyond the city's four-year general budget that has already been approved. When the next mayoral administration takes office, it's possible the Care System will not be a priority and, accordingly, may not be allocated funding in the next budget. For the Care System to become financially sustainable, a resilient, mission-oriented, depoliticized delivery finance mechanism will be required.

— **Spatializing services**
While a key innovation of the Care System is its integration of urban infrastructural distribution as a tool to address a social challenge, the '30-minute city' approach Bogotá is using to address this issue is not without its challenges. The 30-minute city concept must be cautiously implemented so as not to further segregate and 'ghettoize' peripheral neighbourhoods. Social mixing should be encouraged, and the transition towards radically redistributing urban infrastructure should be done using participative mechanisms to integrate the perspectives of residents and caregivers.

What can we learn from this case?

During its initial stage of development and delivery, **four crucial governance and programmatic characteristics** aligned with mission-oriented innovation emerged as consequential to the Care System's advancement:

— **Harnessing capabilities for cross-sectoral development**
The Care System fundamentally seeks to enable systems change, requiring cross-government, cross-actor collaborating. In part, cross-sectoral ways of work have been unlocked by creating a sense of 'shared stewardship' for the system. For example, the Secretariat for Women has intentionally made sure that recognition for the Care System is received by all stakeholders involved in its delivery, considering this relatively small yet powerful gesture as a soft skill for building an institutional culture of collaboration. Alongside soft skills, the Secretariat for Women and Mayor's Office has begun encouraging the city government to develop new capabilities for dissolving the administrative silos that have conventionally restricted cross-secretariat collaboration and between public sector organizations.

Source: Ryan Bellinson (2022)

— **Developing an experimentation practice**
The Care System explicitly demands the city's administration to deliver services differently through new forms of experimentation. The 'test and learn' ethos embedded within the Care System directly contrasts historical decision-making practices in Bogotá. Conventionally, decision-makers prioritized long, meticulous and exhaustive policy and program design processes that would only be implemented once they were deemed suitable, often after months or years or internal design. The Care System has rebuked this conventional entry point, recognizing that experimentation requires action quickly, never allowing *'perfect be the enemy of the good'*.

— **Leveraging flexible finance**
The Care System has received much of its initial funding through Bogotá's general budget, negotiated and approved every four years by the City Council. During the early outbreak of the COVID-19 pandemic, Bogotá received financial support from several international NGOs. Funding from these institutions was flexible and could be spent at the mayor's discretion. This meant it could be used quickly without going through the slow, politicized budget negotiation process. Furthermore, these flexible funds could be spent on experimental initiatives that would be difficult to finance through traditional means, enabling decision-makers to test innovative initiatives that took on a manageable risk level.

— **Integrating urban 'spatial distribution'**
The spatial distribution of infrastructure and public services is a key dimension of the Care System's overall approach to innovation. The Care System is embedded within Bogotá's 12-year Master Plan, or 'POT'. It has led the Secretariat for Planning to innovate its own practices, enabling Bogotá's urban planners to work with other policymakers by adopting the concept of 'the 30-minute city' as an infrastructural blueprint for bringing social services to neighbourhoods that have historically lacked infrastructure investments. This has also allowed the city to proactively reshape its uneven spatial distribution of infrastructure to enable care to become a guiding development principle.

Image Credit:
Ryan Bellinson (2022)

In addition to shaping learning around governance, key lessons for designing and implementing missions can also be taken from this work:

— **Systems change interventions that transcend siloed policies**
The Care System demonstrates that 'systems change' is a process which can only be achieved through convening cross-sectoral actors to undertake shared action within a co-responsibility model.

— **Prioritize developing innovation capabilities**
Innovative processes are uncertain, requiring a level of openness and flexibility. This type of process demands certain soft skills and collaborative capabilities that should be perused alongside the emergent nature of innovation activity.

— **A 'fail fast, learn fast' model of experimentation**
Innovation and transformation is a messy process that does not follow a predetermined formula. The Care System demonstrates the strength of adopting a practical experimentation approach where prototypes can be tested quickly to generate action, learning from failures, analysed, improved and tested again.

Watch Video

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BARCELONA'S RIGHT TO HOUSING MISSION

This case was written based on secondary research and interviews.
It does not represent the views of the organisation.

What the Barcelona's Right to Housing Mission?

Recognising the crisis in the provision of affordable housing in the city, Barcelona City Council took on a market-shaping role by developing the 'Right to Housing Plan'. The plan aims to enlarge the public and non-profit stock of permanent social and affordable rental housing in Barcelona, while providing stronger tenant protection and steering the housing market towards affordability, security and sustainability.

What mission areas are being pursued?

Ensuring access for all to decent, net-zero affordable housing.

This main mission involves five sub-missions:

Supply — The first objective to achieve that mission is doubling the size of Barcelona's social housing stock in 10 years.

Stability — A second goal is to protect tenants and give them stability and residential security.

Subsidy — A third goal is to prevent evictions and reduce housing cost burden rates by targeting housing subsidies.

Social dialogue — The mission of social dialogue aims to involve all the actors in the decision-making process.

Sustainability — A sustainability mission means committing to net-zero housing stock by increasing energy efficiency to existing stock and building homes using sustainable materials and construction methods.

In this case story, you will learn about how the Barcelona Right to Housing Mission:

— Invested in internal capabilities and reshaping organisational structures;

— Forged symbiotic partnerships with the private and non-profit sectors;

— Adopted a participatory approach to decision making.

Listen to Podcast
Rental Health: Solutions (Barcelona)
BBC Radio 4

What is the context of the case?

In many developed countries and major global cities, the housing market is broken. Rent is skyrocketing and is at record levels compared with wages. Tenants are struggling more than ever to pay for adequate and affordable housing, and affordable dwellings are not being delivered by the state or the market at the scale that is needed to satisfy the present and future demand. Therefore, there is an intensifying shortfall in affordable housing provision. Supply is not reacting to demand, and there is, in short, a market failure in the provision of affordable housing (SDG 11.1).

Research shows that without a large stock of affordable housing, it is not possible to smooth the volatility of market rental housing prices and provide enough affordable housing to the population, guaranteeing the right to the housing along the way[1].

1 Kemeny, J. 1995. *From Public Housing to the Social Market: Rental Policy Strategies in Comparative Perspective.* London: Routledge.

Kemeny, J., J. Kersloot, and P. Thalmann. 2005. *"Non-profit Housing Influencing, Leading and Dominating the Unitary Rental Market: Three Case Studies."* Housing Studies 20 (6): 855–872.

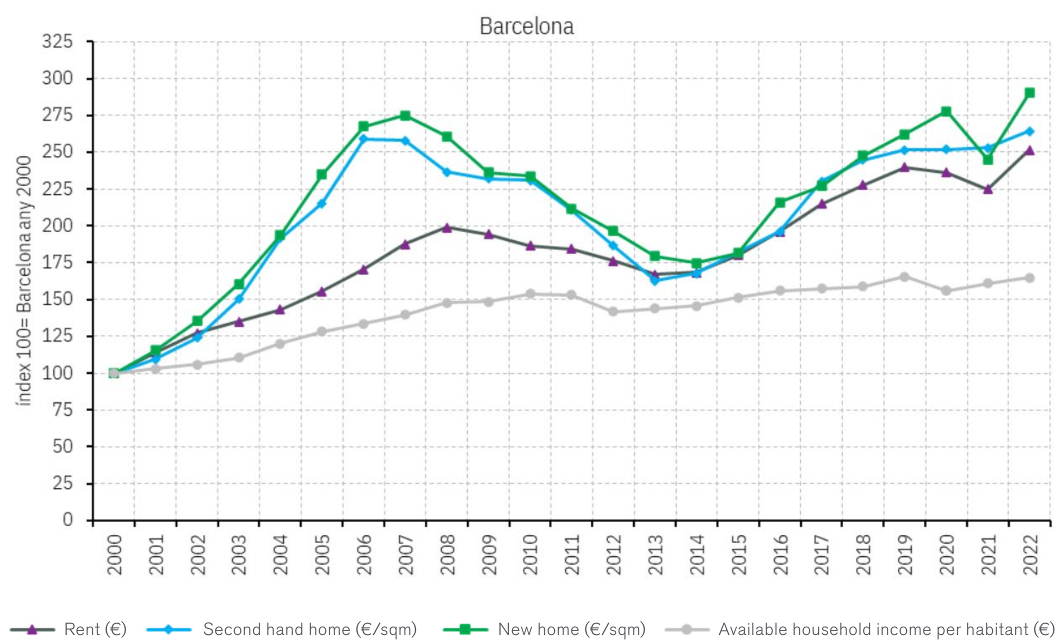
Klien, M. and Strecher, G. 2021- *"Economic Effects of Non-profit Housing"* WIFO: Studien, März 2021, 64 Seiten. Österreichisches Institut für Wirtschaftsforschung

Scope

In Barcelona, the housing market reflects the increasing mismatch between supply and demand for affordable housing to rent. The direct consequence is that there has been an exponential rise in rent prices (42%) since 2014, despite the fall in wages suffered by a large part of the population (Graph 1). Researchers call this phenomenon a 'rental bubble' wherein prices rise beyond what is affordable and sustainable for citizens.

Despite significant effort by the Barcelona City Council to increase social and affordable housing stock, the rent overburden rate (the proportion of people spending more than 40% of disposable income on housing) stands at 39.4%. Since only 1.5% of its housing stock is public, rental housing, Barcelona does not yet have enough social and affordable housing to solve this substantial unsatisfied demand. The challenge is to converge with the most advanced European cities and reach at least 15% public rental housing stock.

As described in the 'Housing: Barcelona 2015-2023' report by Barcelona City Council, "Spain's social housing policy has supported private developers and helped meet the housing demand of middle- and low-income first-time buyers. However, this has been done while failing to build a permanently affordable social housing stock for the long term."



Graph 1. Household available income per inhabitant and average housing cost in Barcelona 2000-2022

Source: https://www.ohb.cat/wp-content/uploads/2023/11/informe_2022_VF-1.pdf

How did Barcelona's 'Right to Housing Mission' use mission-oriented policies to approach this challenge?

The affordable housing crisis is a 'wicked problem': a complex and large-scale interconnected problem underpinned by an evolving range of interlocking constraints. Meanwhile, housing policy is slow, expensive, controversial, and complex.

Barcelona City Council took on the role of a market-shaper by setting directionality to steer the housing market towards permanent affordability and sustainability. Barcelona can be viewed as an emerging mission-oriented model, based on symbiotic collaborations between public, private and community partners.

The Right to Housing Plan centres on six principles which reflect this market-shaping approach[2]. Inspired by the successful case of Vienna, Barcelona is developing a new approach that seeks to provide stronger tenant protection while building affordable housing for all.

2 For a list of the six principles, see p.6 of Mazzucato, M. and Farha, L. (2023). The right to housing: A mission-oriented and human rights-based approach. Council on Urban Initiatives. (CUI WP 2023-01). UCL Institute for Innovation and Public Purpose, Working Paper Series. (IIPP WP 2023-07). Available at: https://www.ucl.ac.uk/bartlett/public-purpose/publications/2023/may/right-housing-mission-oriented-and-human-rights-based-approach

Barcelona has outlined five sub-missions, drawing on the principals suggested by Shane Phillips in The Affordable City of the 'Three Ss: Supply, Stability, Subsidy,' plus two more Ss: 'Social Dialogue' and 'Sustainability', added by Eduardo González de Molina.

— **Supply**
The city started by committing to a Housing Mission, which is ensuring access for all to decent, net-zero affordable housing. The first objective to achieve that mission is doubling the size of Barcelona's social housing stock in 10 years.

— **Stability**
A fundamental mission of any housing system is to protect tenants and give them stability. The first objective is to enact a rent regulation that provides stability to residents by avoiding uncontrolled price spikes.

— **Subsidy**
Until the public stock of affordable housing can meet such needs, it is necessary to provide financial support to bridge the gap between what households can pay and rental prices. Rental subsidies are used to combat the housing emergency, preventing, among other things, evictions and severe rent overburden.

— **Social dialogue**
The mission of social dialogue aims to involve all the actors in the decision-making process. In addition to contributing to accelerating the development of new affordable housing, pub-

> **"Barcelona has one of the most comprehensive housing strategies I have come across in Europe in recent years"**
>
> Maria Vassilakou,
> former Deputy Mayor of Vienna (2010-2019)

lic, private, third sector and civil society should play an important role in the consolidation and professionalisation of the housing sector.

— **Sustainability**
In the context of the climate crisis, the fact that 40% of CO2 emissions in cities are produced by residential buildings – which are also ageing and energy inefficient– means that the final pillar of a comprehensive housing and renovation policy should be the mission of sustainability. This mission means committing to renovation and building homes using sustainable materials and construction methods.

Source: González de Molina, E. 2022.

What are the new innovations and outcomes of this approach?

According to an evaluation in 2023, since the establishment of the Right to Housing Plan, over €1.35 billion has been spent on housing, including funds from the local government, private and non-profit partners. This can be compared with a total of €150 million spent by other administrations, at the regional and national level, in Barcelona during the same period. In terms of outcomes so far, the municipal housing stock in Barcelona has increased from 7,642 units (prior to the Plan in 2015) to 11,737 units (at the end of 2022). This represents an increase of 54% in under 8 years. By the end of 2025, social housing units are expected to exceed 15,000.

Furthermore, as part of the Right to Housing Plan's goal to mobilise empty homes, more than 1,700 privately-owned empty homes have been converted into social and affordable housing to

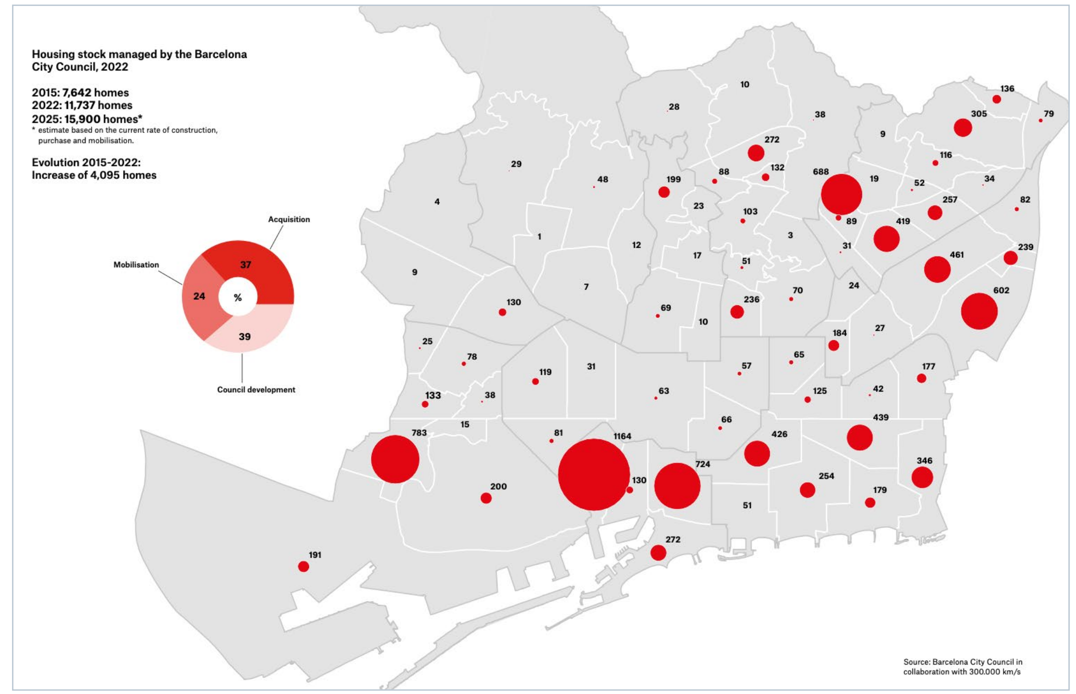


Figure: Housing stock managed by Barcelona City Council
Source: https://bcnroc.ajuntament.barcelona.cat/jspui/bitstream/11703/130616/7/HOUSING.pdf

be rented out. The City of Barcelona, using its right-of-first-refusal powers to purchase properties listed for sale and convert them into council housing in areas with housing needs, has bought more than 50 private buildings, totalling 1,600 housing units, and spent over €190 million, effectively stopping speculative investment, ensuring a social mix across the city.

Multiple measures have also been introduced to provide residents with stability. These include:

— the regulation of tourism housing through the Special Urban Plan on Tourist Accommodation (2017);

— the creation of the Housing Enforcement Task Force to protect the social function of property (2017);

— the use of rent controls (which "reduced average rents paid by about 6% with no reduction in the supply of housing units")

— and the creation of the Anti-Eviction Unit which centralises assistance available to families at risk of losing their homes, 9 out of 10 evictions have been stopped because of this service.

As part of its sustainability mission, Barcelona has spent over €143 million on housing and building renovations, and on neighbourhood regeneration. This has generated over €383 million in GDP for the city's economy, and more than 16,700 jobs.

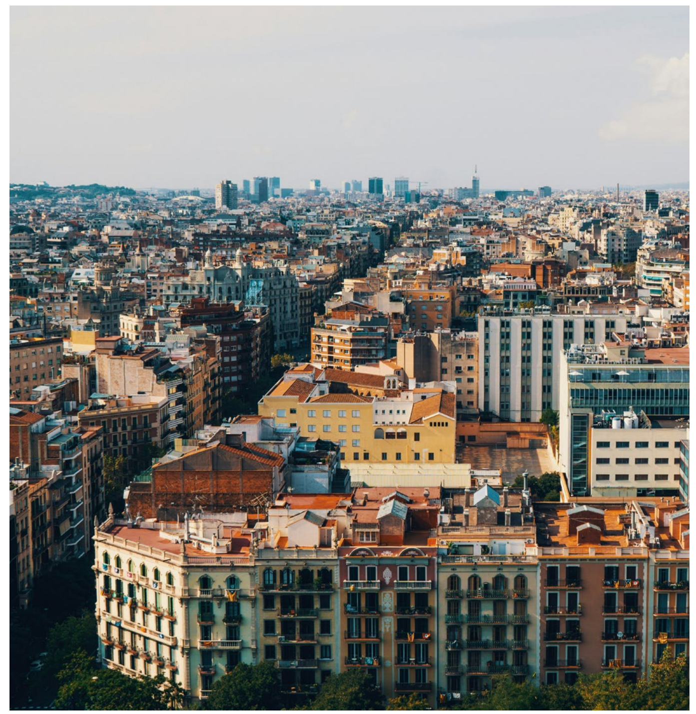
What can we learn from this case?

Investing in internal capabilities and reshaping organisational structures.

In order to scale and speed up the production of social housing, Barcelona City Council needed to strengthen internal capabilities within the Barcelona Housing Authority (IMHAB) and improve coordination between social services, urban planning and housing authorities as a decentralised network of entrepreneurial public organisations.

Furthermore, the city needed to shift into the role of being a purchaser in the market as part of the strategy to buy and convert privately-owned homes into rental properties. There were also upskilling and recruitment needs, for instance in the field of data and evidence: according to the 'Housing: Barcelona 2015-2023' report, 'only with robust data can the housing market be effectively monitored and the public informed.' This led to the creation of the Metropolitan Housing Observatory of Barcelona in 2017 – the most comprehensive public housing observatory in the country.

The organisation also had to rethink its internal structures to enable mission delivery; the two public housing companies that previously existed were merged into one, and several new departments, units and teams were set up, such as the Anti-Eviction Unit or the enforcement unit. However, organisational change is rarely without any friction or resistance – and so it was important to get buy-in at both the political and implementation levels. Moreover, considering the complex multi-level governance between the EU, the State, the Region, and the city, it was critical to actively shape the political narrative. In this way, Barcelona City Council was able to galvanise political will and social movements to create the impetus for innovation.



Forging symbiotic partnerships with the private and non-profit sectors

The public sector alone cannot deliver at the scale and speed required for the size of challenge at stake – and so collaboration with the private sector, and non-profits, is essential for delivering on Barcelona's missions. Barcelona City Council therefore invested both in building public in-house capacities as well as being willing to engage in long-term, symbiotic public-private partnerships.

However, there was initial internal resistance to the creation public-private partnerships (PPPs), driven by fears of the public sector being expected to 'compete' with the private sector. Moreover, there were doubts about why PPPs were necessary for the task at hand: building social housing.

Often PPPs engender issues such as information asymmetry between public sector procurers and private providers, or even a loss of capacity for government. Barcelona therefore designed its PPPs using an 'institutional' model[3]. This involved creating a mixed company, Habitatge Metròpolis Barcelona (HMB), with equally shared equity for public and private sector partners, with private CEOs and employees reporting to a Board of Directors consisting of 50% public sector representatives.

3 For more information on models of public-private partnerships in the EU, including 'institutional' partnerships, see here: https://www.eca.europa.eu/lists/ecadocuments/sr18_09/sr_ppp_en.pdf

Barcelona designed its partnerships so that the public and private sector shared both the risks and the rewards of the partnership, each receiving 50% of any profits or losses. By ensuring equal availability of information through the governance system, the Board of Directors would be able to ensure the promotion of public interest through the operations of the company. This focus on public interests operates at all levels, from making sure cleaners of houses are employed on good conditions and fair pay, to applying 'red lines' which include property remaining under public ownership, being permanent, and adhering to sustainability standards.

Barcelona has developed key partnerships with universities and non-profit organizations as part of its housing strategy. A notable initiative is the ESAL agreement, a participatory process that promotes 1,000 social rental and cooperative housing units. Under this agreement, the city leases public land for 99 years to social developers, who build, refurbish, and manage the housing. This initiative is a city-led Community Land Trust, financed through a mix of loans, subsidies, taxes, and revolving funds. Additionally, Barcelona collaborates with local universities, such as through the Barcelona Chair of Housing Studies, which unites public organizations and universities to address housing challenges.

Adopting a participatory approach to decision making

'It has always been important to design, implement, evaluate and redesign municipal housing policies in collaboration with all of the affected sectors, collectives and professionals,' wrote the authors of the 'Housing: Barcelona 2015-2023' report.

As part of the 'social dialogue' mission of the Housing Plan, the teams at Barcelona have ensured actors from across the sector are part of the design and implementation of housing policy. This has involved engagement with the private sector, third sector, civil society and residents.

Ensuring transparent monitoring and accountability has been central to this participatory approach. The city has employed participatory governance tools such as the Social Housing Council of (CHSB), a participatory council gathering all social housing providers, and DECIDIM, an online citizen-led platform. It has also focussed on producing data for monitoring via the Barcelona Housing Observatory and Barcelona Chair of Housing Studies.

Because of its innovative participatory tools, such as the aforementioned platforms and the use of citizen assemblies, Barcelona was named the first European Capital of Democracy by a pan-European citizen jury at the end of 2023.

Thanks to the influence of the City Council, new tools have been introduced recently to strengthen the housing policy have been introduced: a Spanish Housing Law was enacted and, in March 2024, Catalonia and Barcelona applied new regulation to rents. In addition, new funding coming from the State and the EU is helping the city to invest more in creating and renovating social housing. Barcelona has even inspired the EU to create new regulation on tourist accommodation.

However, with the advent of a new administration in the City Council, there may be changes to some policies, though still within the same broader goals. Because the Barcelona Housing Plan ends in 2025, next year will be important for the development of Barcelona's Housing Strategy and will bring new opportunities and challenges.

Acknowledgements

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