Representatives of 6Aika (Helsinki, Espoo, Tampere, Vantaa, Oulu and Turku) presented their current work on their Integrated Sustainable Urban Development Strategy during the Peer Review workshop organised by the Urban Development Network and hosted by the Network of Finnish cities on 26-27 October 2017. The presentation was followed by peer discussions which have provided the bases for this report.
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PART 1 | Peer Review Approach

The Peer review methodology

The UDN Peer review approach builds on the S3 Peer review methodology that has been developed by the S3 Platform of the Joint Research Centre (JRC) of the European Commission as a mutual learning tool for sharing, exploring and integrating policy knowledge in the context of regional and national Smart Specialisation Strategies. The S3 Peer review methodology has proven to be an effective tool in creating an open and trusted learning environment where practical and conceptual aspects of policy design and implementation can be discussed and explored through challenges and experiences of individual contexts. It has therefore been chosen to be experimentally applied at the city level to promote mutual learning and knowledge dissemination in the scope of the Integrated Sustainable Urban Development Strategies foreseen in art. 7 of Regulation 1301/2013 on European Regional Development Funds (ERDF). DG REGIO and JRC are the two EC services collaborating for the implementation of the UDN Peer review methodology.

Objectives and expected outcomes

One objective of the Peer review is to allow participating cities and regions to meet their peers, the European Commission staff, academic experts and others to discuss common issues and challenges related to their current work on Integrated Sustainable Urban Development Strategies. The second objective is to allow cities to get involved into first-hand evaluation experience and use the peer review outcomes to further improve their own strategies. The third objective is to support the creation of a community of practice in an open and trusted learning environment by discussing practical ways to address common problems.

About the UDN Peer review workshop

The UDN Peer review concentrates activities both in time and space by allowing a number of article 7 strategies to be reviewed simultaneously by peers from across Europe. It runs over two days and it takes place in one of the cities under review, which co-hosts the event together with the European Commission. The workshop brings together urban as well as regional and national authorities for mutual learning and exploration of ways in which Integrated Sustainable Urban Development under art.7 can be developed and implemented. The UDN Peer review is based on a participative approach that encourages all participants to engage in dynamic and creative discussions, which benefits both the cities under review and their peers. A presentation of each city’s current work on art.7 is followed by a Q&A session, and a number of simultaneous discussions of specific issues highlighted during the presentation. They are organised around individual peer review sessions that focus on one city strategy and last around three hours. Discussions are focused on specific challenges and objectives experienced by cities under review. Specific issues are examined in small groups in three iterations, which ensure that participants can build shared cognitive frameworks of those challenges and to discover good practices as well as bad experiences starting from personal and professional views on problems/ issues and integrating expertise and knowledge from a variety of sources.

The UDN Peer review identifies different categories of actors, and appoints them with specific roles:
**Participants from cities under peer review.** Policy-makers at city strategy level are invited to represent their city at the workshop to allow for simultaneous discussions (separate discussion tables). They present the current state of work and their integrated urban strategy and identify three questions they want to pose to the peers.

**Critical friends.** Representatives from cities and national/regional governments in charge of the implementation of Integrated Sustainable Urban Development Strategies take part as peers. All peers at the workshop have the role of a critical friend, providing critical (yet friendly) advice and sharing their different knowledge and experience. The city being reviewed in one session acts as a critical friend in the next sessions.

**Critical buddies.** City representatives who have gone through a peer review session before are given the role of selected peers (‘critical buddies’). They bring their previous experience in the workshop and are asked to provide additional and structured feedback to cities under review.

**Invited experts.** The European Commission invites experts to the Peer-review workshop to support the cities under review in the preparatory phase of the peer review, notably by helping in the drafting of questions and in reviewing the cities’ presentations and background documents.

**European Commission staff.** The UDN of the European Commission is responsible for the organisation of the peer-review workshop. Prior to the peer-review workshop, the UDN provides all critical friends registered for the workshop with the background documents and the online survey to allow them to prepare for the workshop.

**STRUCTURE OF THE UDN PEER REVIEW**

Three cities presented their strategies and were peer-reviewed:

1. The network of Finnish cities (Helsinki, Espoo, Tampere, Vantaa, Oulu and Turku);
2. Toulon;
3. Alba Iulia.

The Peer review workshop included three phases: preparation, workshop discussions, and workshop follow-up.

**BEFORE THE PEER REVIEW WORKSHOP – PREPARATION**

Prior to their workshop, each city under review had been working on: 1. Presentation on their existing Integrated Sustainable Urban Development Strategy; 2. Background document with relevant information on the city context and 3. Self-assessment questionnaire

The first two documents outline the main element of each ISUDS and specific questions to guide and focus further discussions. In addition, each reviewed city carried out a comprehensive self-assessment of its current work on ISUDS. This assessment covers eight principal areas: Integrated approach, Outward-looking dimension, Analytical work behind the development strategy, Stakeholder engagement, Shared vision, Action plan, Policy coordination, Policy mix and funding scheme, Framework for delivery: governance and monitoring system. This assessment exercise allows urban authorities to examine their
strategy from the perspective of an external eye.

**DURING THE PEER REVIEW WORKSHOP - WORKSHOP DISCUSSIONS**

The Peer review workshop ran for one and half-days (on 26 and 27 October 2017). The agenda was structured with plenary and parallel sessions. In addition Day 1 contained a site-visit to Kalasatama area, an experimental district in Helsinki to co-create smart urban infrastructure and services. Plenary sessions aimed at providing general and technical information and to collect main outcomes of the Peer review workshop.

Parallel sessions were devoted to peer reviews and organised in the following phases:

1. Presentation by the city under review and Question & Answer;
2. Table discussions around the questions/issues posed by the presenter;
3. Collection of results and closing comments by the city under review.

Each peer review session developed along the following logic:

In the presentation, the city under review was asked to identify three questions they thought were relevant to be discussed among their peers in three different discussion tables (two times three in the case of the host Finnish cities).

Each table was asked to develop the proposed question in three iterations, which ensure that participants can: (1) work together to better understand the actual problem behind each issue and frame it according to their view of the problem as well as their experience; (2) provide policy advice and propose solutions to these problems by discussing what worked well (good practices) and what did not work; and (3) learn together how to deal with new policy issues in different contexts as relevant lessons to take home.

All peers were asked to join one of the discussion tables. At each table there were also: one of the invited experts as table moderator or/and a European Commission staff member, as well as a representative from the city under review to take a full advantage of the discussions and to answer any clarifying questions. Once each table finished its discussion, a rapporteur of the table presented the results of discussions to the other round tables. At the end of each peer review session, the reviewed city was invited to reflect on the presented results of the discussions.

The parallel sessions on day 2 were followed by a plenary where invited experts and cities under review were asked to exchange feedback and reflect on Lessons Learnt. This allowed the three cities under review to share impressions and main outcomes of the workshop, discuss follow-ups, and draw joint conclusions together with experts, peers and European Commission staff.

**AFTER THE PEER REVIEW WORKSHOP - FOLLOW-up**

After the Peer review workshop, all participants receive the Feedback Report which summarises results of table discussion and reflections, discusses any existing shortcomings in the reviewed strategy, and offers relevant recommendations. Moreover, experts, critical buddies and peers were asked to fill in additional questionnaires that partially fed the content of this report.

The link to the peer review workshop's website including all the presentations and Feedback Reports is available here: [http://ec.europa.eu/regional_policy/en/conferences/udn_espoo/](http://ec.europa.eu/regional_policy/en/conferences/udn_espoo/)
PART 2 | CURRENT WORK ON THE INTEGRATED SUSTAINABLE URBAN DEVELOPMENT STRATEGY

ABOUT THE CITY CONTEXT IN BRIEF

Finland is a small country on a global scale. But despite its size, in international country comparisons of positive things Finland is often among the top countries. Finnish society is safe and functioning, the level of education and teaching is high, and Finland is for example, the second best country in the world in using information and communication technologies to boost competitiveness and well-being.

The six cities have some features in common that distinguish them from the rest of Finland. The common features of the cities include strong population growth, high educational structure and large number of students plus varied provision of arts and culture and leisure services. The regions of the six cities form a nationally important area for Finnish economy. 40% of total company revenues come from the area and 61% of GDP is produced there. Also, 75% of Finland’s R&D&I expenditure originates from the six city regions. The cities are easily accessible by plane, train and boat.

The Helsinki Metropolitan Area emerges as a group of its own in terms of, for example, number of residents of working age, employment rate, taxable income and the high cost of owner-occupied or rented housing. People move to the six biggest cities to get an education and find a job. Of all university students in Finland in 2014, almost three-quarters, and of polytechnics students around half, studied in some of the six cities. The cities have in total 190 000 students in 10 universities and 9 universities for applied sciences.
According to Statistics Finland’s employment statistics, two-fifths of all jobs in Finland were located in the six cities in 2013. The largest driver of change is Helsinki and the rest of the Helsinki Metropolitan Area, in which over one-third of university students and almost every third polytechnics student studied in 2014. The employment rate in the Helsinki Metropolitan Area was, in 2013, four percentage points higher than in Finland as a whole. Besides better employment, the six cities offer good opportunities for wage earners to earn better. In the Helsinki Metropolitan Area, in particular, state taxable income per capita was, in 2013, clearly higher than in the other biggest cities or the whole country. The high-income level in the Helsinki Metropolitan Area raises the average for the whole country so much that Turku, Tampere and Oulu fall below the national average.

The other side of the coin is that social problems, too, tend to accumulate in the six biggest cities. Dependence on social assistance benefit is clearly more common in these cities than in other parts of the country or the country on average, except for Espoo. The same goes for the number of homeless, except for Oulu. Shortage of housing is a special problem in Helsinki, but in a 20-year perspective, the number of homeless has developed quite favourably.

**KEY ELEMENTS OF THE ISUD STRATEGY**

*How the strategy came about*

The first steps towards an ITI strategy in Finland were taken in 2013 when the Ministry of Economic Affairs and Employment launched a competitive tender to apply for the ITI strategy implementation. The proposals were requested from large cities together with their domestic growth agreements. The idea behind the joint process was to strengthen the links between domestic regional and urban policy and EU Cohesion policy. From a national perspective, it was seen important to allocate the 5% share of ERDF funding for sustainable urban development to a limited number of cities. This was done to prevent the fragmentation of funds to small shares.

At the time Finland faced challenges in economic growth due to for example recession, sustainability gap in public finances and the drastic structural change in the ICT-sector (e.g. fall of Nokia mobile phone business). This had led to export levels falling, increasing levels of unemployment (in particular in export industries) and the national debt growing. In this situation, it was crucial to determinedly speed up growth and innovation. It was seen that this could be done by renewing and increasing the service capacity across industries and the public sector through the use of digital solutions (e.g. open data, innovation platforms). Cities in Finland have traditionally played a central role in strengthening competitiveness and they could be at the forefront of change as enablers, supporting the growth of new business.

These elements created the baseline for the proposal that the six cities submitted to the open competition organised by the Ministry of Economic Affairs and Employment. In addition to the six city proposal, another one was submitted by a group of five cities (Pori, Lappeenranta, Joensuu, Vaasa, Seinäjoki). The content of the final strategy document was devised in 2013-2014 in joint meetings and workshops of six city representatives. The Ministry of Economic Affairs and Employment was also closely involved in the preparations of the strategy.

The six cities have a long history of previous cooperation (e.g. through defining joint stands on legislative
issues) which made it easier to embark on a joint strategy together. A large amount of the effects of urbanisation in Finland impact the six biggest cities in particular. These similar challenges emphasize the need for cooperation which can bring added value. Also, the competitiveness of the network of the six biggest cities is crucial for the development of the rest of the country (spill over effects). For companies, the six cities together build a large enough and attractive platform to test new solutions.

In accordance with art. 7 of the ERDF regulation, 5% of ERDF funding in Finland is used on sustainable urban development. Art. 7 is implemented in Finland through the integrated territorial investment (ITI) mechanism and with one ITI strategy - The Six City Strategy. The three focus areas of the strategy implement the specific objectives of the priority axes of Finland's structural funds programme for Sustainable Growth and Jobs 2014-2020 (ERDF - Priority Axis 2, ESF - Priority Axes 3, 4 and 5). The national body in charge of art. 7 is the Ministry of Economic Affairs and Employment and the regional body is the Helsinki-Uusimaa Regional Council.

**Content of the strategy**

The Six City Strategy is based on society's development towards a greater sense of community, openness and accessibility, and the creation of a functional city community consisting of citizens, companies, research and development operators and the authorities. One of the most effective ways of fostering innovations and increasing productivity is to develop open operating models that enable the participation of all operators.

The Six City Strategy's efforts to build an open ecosystem for urban services revolve around three focus areas, which implement the specific objectives of the priority axes of Finland's structural funds programme as well as the objective of the Ministry of the Employment and the Economy’s Urban Policy Action Plan for strengthening the competitiveness and vitality of regions.
Focus area 1: OPEN INNOVATION PLATFORMS

Innovation platforms are functional structures in which the city community works together to create new solutions and new businesses, combining places, production processes and people into an activity that creates value. With the Six City Strategy, cities facilitate the creation and testing of new products and services in real-world urban environments and innovation platforms, making use of new kinds of procurement processes, for example. These open innovation platforms are R&D&I centres in accordance with the specific objectives of priority axis 2 of the structural funds programme, as well as development environments for renewable energy and energy-efficient solutions.

Focus area 2: OPEN DATA AND INTERFACES

Cities produce vast amounts of valuable data, be it geographical, environmental, traffic, statistical, financial, etc., which companies can utilise in their business. As part of the Six City Strategy, cities open their data stores, making them compatible with and publishing them through shared publication channels as open data. Together, the six cities offer an excellent test environment and market for companies. This work strengthens the innovation activity of SMEs in accordance with the specific objectives of priority axis 2 of the structural funds programme. The opening and harmonisation of traffic and environmental data also supports the development of renewable energy and energy-efficient solutions.

Focus area 3: OPEN PARTICIPATION AND CUSTOMERSHIP

The Six City Strategy facilitates the creation of new business through the development of open and easy-to-use multi-channel and multi-operator service models and systems, in collaboration with customers. New open solutions enable companies to develop new service innovations while at the same time improving the public service structure (structural fund priority axis 2), supporting the employment of the young and other groups that are in a weak position in the labour market (structural fund priority axis 3), improving services and methods for supporting transitional periods and equality in education (structural fund priority axis 4), and enabling the development of resident-oriented methods and services for improving the working and functional capacity of people outside working life (priority axis 5).

Examples of projects

Urban innovations develop quickly, and changes in the operating environment are difficult to predict. Because of this, the Six City Strategy is carried out in the three selected focus areas through spearhead projects as well as practical pilot and trial projects that together build the foundation for improvement. The progress, results and effectiveness of the projects are evaluated regularly so that the activities can be better focused. The participating cities select the measures to be carried out from among their shared focus areas, so that every project involves operators from the areas of two or more of the six cities.

Open Data and Interfaces Spearhead project

The Open data and interfaces spearhead project consortium consists of the six cities (Tampere, Espoo, Helsinki, Vantaa, Turku, Oulu) as well as Business Tampere, Forum Virium Helsinki, Turku Science Park and Regional Council of Southwest Finland. In the project, cities are opening and harmonizing their public data and APIs, using common data models and standards. The opening up and utilisation of data creates innovations and business as companies and developers use the data as the raw material for new services.
One of the aims is to also to make the opening up of data a natural part of the normal operation of cities. The total budget of the three-year project is EUR 8.1 million.

The target group of the project is companies. To better reach the companies and promote the possibilities for cooperation, the project has launched their own website databusiness.fi. One of the project results so far is the “Harmonised Smart City API Cook Book” which introduces the reader to the opportunities APIs offer for cities, developers and companies. It also gives concrete examples of the use of the current Smart City APIs created by the six cities in the Open data and interfaces project.

**Open Innovation Platforms Spearhead Project**

In the Open innovation platforms spearhead project, the cities of Helsinki, Espoo, Vantaa, Tampere, Turku and Oulu and Forum Virium Helsinki, University of Oulu, Council of Tampere Region, University of Tampere, Business Tampere, Turku Science Park combine their innovation and development environments into a network of open innovation platforms. The aim of this network is to strengthen Finland’s competitiveness by facilitating the creation of new expertise, business and jobs in the service sector. The total budget of the three-year spearhead project is EUR 12.4 million.

Objectives:
- Open innovation platforms are environments where new services, solutions and products are created and tested in real-world conditions
- A network of open innovation platforms is built which functions as a “one-stop” development environment

The main target group of the project are companies and research and development organisations. The project has launched a website citybusiness.fi, where the cities open their infrastructures and processes to companies, to aid companies to innovate, develop and test new products. The project has also published a **handbook for developers of Open Innovation Platforms**. The KYKY model for co-creation between schools and companies has also proven to be successful. This model was the result of a test phase, started by the Finnish Education Unit, relating to the co-creation of digital products and services supporting teaching and personal growth by schools and start-up companies that value user information.

**Open Participation and Customership**

The aim of the Open participation and customership spearhead project is to strengthen the role of the business sector as well as the role of research and development communities in the service ecosystem. Furthermore, the project aims to increase customer-orientation, enable new kinds of markets, improve the effectiveness of services, increase productivity and strengthen competitiveness. The total budget of the three-year spearhead project is EUR 8,980,000.

As a result of the spearhead project a new kind of model is created where companies, the city, the third sector and research and development units work together and develop new kinds of service concepts and innovations. These partnerships help create new expert service and customership opportunities for companies as well as research and development communities.

Objectives:
To create a new way of planning, implementing and developing customer service and the cities’ services

Operations are divided into the following themes: the right services – for the right customers – in the right ways

The project is promoting the creation of service business opportunities and the usability of services

Under each spearhead project several pilot projects are being developed which build on the models and platforms created. Some examples of pilot projects are the Open Vocational Training project which develops physical and virtual 365/12-based learning environments where learning is always possible regardless of time and place. The Open Urban Model project is seeking a solution to the challenges posed by closed city spatial information systems used by cities. The EduDigi project introduces gaming technologies and their application into teaching and learning. The SOHJOA project brings automatic minibuses to urban streets. IntelligentWater - Smart urban waterway transport is a project that develops new solutions and services for urban water transport. The Future Food World is a R&D platform of restaurants and shops that has the potential to test and develop new products, services, concepts, technologies and solutions, etc.

**Participation and Management**

Open operating models enable the participation of all actors (Quadruple Helix). Stakeholders can take part in the open idea generation processes and open calls for proposals. New business is created by developing open multi-operator services in co-development with customers. Businesses are the main target group of the strategy, however, in ESF pilot projects, which are part of the Six City Strategy, citizens are a direct target group.

The Six City Strategy operating model is supported by the Six City Strategy Office, the six cities’ joint management group and a steering group. Their tasks include comprehensive monitoring and evaluation of the strategy, the planning and maintenance of the operating calendar, project application, selection, monitoring and evaluation processes, project funding and other administration.

The highest decision-making body is the six cities’ joint management group, which consists of directors in charge of the six cities’ business and innovations matters or city and/or service development. The management group is also responsible for coordinating and monitoring the strategy together with the financiers. The management group is supported by a steering group, which is responsible for implementation. In addition to six city representatives, the steering group includes representatives from two ministries (Ministry of Economic Affairs and Employment and Ministry of Transport and Communications), the intermediate bodies (Helsinki-Uusimaa Regional Council and the ELY center for Häme), and Tekes (the Finnish Funding Agency for Innovation).

The Six City Strategy operating model is developed, implemented and operatively directed by the Six City Strategy Office. The office consists of centralised personnel as well as city-specific Six City Strategy coordinators. The office makes sure that the national realisation of the strategy and the related cooperation proceeds in accordance with the decisions of the management group and the direction of the steering group.

Within the participating cities, Six City Strategy activities are organised jointly between the management group member, the steering group members and the city-specific coordinator of the Six City Strategy Office.
Each city organises its city-specific operation in a way that is fitting to the city organisation. Operations should be organised in a way that allows representatives from different administrative branches as well as cross-administrative fields to participate in the operational planning and implementation. The Six City Strategy is genuinely sector-independent, as a result the measures implemented under it may concern any of the cities’ administrative branches and their individual fields of operation.

The Managing Authority of the strategy is the Ministry of Economic Affairs and Employment of Finland. The Ministry has designated Helsinki-Uusimaa Regional Council to carry out the management and implementation of the strategy in accordance with the fund-specific rules (ERDF). The ELY Centre of Häme governs the overall funding of ESF projects. In addition to these two intermediate bodies, the six cities themselves act as intermediate bodies as they decide the content of the strategy implementation, define the themes of the calls for proposals, and propose projects to be funded.

The cities, in close cooperation with the Ministry and other relevant actors devised the strategy together. The participation in the strategy has been approved by the city councils. The progress of the strategy is presented to city decision makers and politicians on a regular basis.

The progress of the Six City Strategy is monitored by the management group and steering group regularly in meetings and joint workshops. In addition, interim evaluations of the strategy are conducted, utilizing outside expertise (two conducted so far, a third one at the end of the strategy). In 2017 a model for assessing the impact of the Six City Strategy projects has been devised and will be utilized in project preparation, evaluation and during projects’ implementation phase. On the project level each project also
selects a set of indicators (deriving from Finland’s Structural Funds programme) which are used to assess how well the project achieves its planned results and outputs.

The indicators measure for example:
- the amount of new R&D jobs created,
- the amount of companies that have started R&D&I cooperation with universities,
- the amount of new innovation platforms created,
- the amount of companies that have started cooperation with cities in an innovation environment,
- the amount of companies that have created a new or improved product (due to the support received),
- the amount of new applications created due to opened data and interfaces
- the amount of companies that develop a new or improved low-carbon product or material
- the amount of energy saved in companies
- the amount of target groups participating or benefitting from the project (ESF)
- the amount of training offered to the target groups (ESF)

**Budget and results so far**

The overall budget allocated to art. 7 in Finland is 79 million euros (50% ERDF financing, 17% state financing, 33% financing from the municipalities). In addition, ESF financing can be allocated to Six City Strategy projects but there is no earmarked budget for these activities (decided on yearly basis by the six city regional councils).

Below are diagrams of the foreseen budget distribution for ERDF and ESF respectively.

The main result so far has been the closer cooperation of the six cities which has also gained added, new layers. When searching for cooperation possibilities for example in project proposal preparation, the cities have gained a stronger, joint understanding of the competences and innovation capabilities of each other and have utilized this knowledge in the development work. A
stronger developer network within and between the city organizations has also developed, with more work being done on cross-sectional and cross-administrative development projects.

Also, the collaboration between the cities and companies has become deeper and more systemic. There is more understanding of the role of the city in an innovation ecosystem, e.g. on how to enhance collaboration otherwise than solely through acquisition process. The culture of innovation and collaboration with the private sector in different sectors of the city organisation, such as social and health care services and education has strengthened.
PART 3 | SUMMARY OF DISCUSSIONS

THE PEER REVIEW SESSION OF 6AIKA

The peer review session of 6Aika on 26 October 2017 was a parallel session and included around 50 participants from across Europe. For the discussions, the participants organized into separate tables, all with representatives from different cities and regions. The presentation from 6Aika was given by Seppo Haataja from Business Tampere and Kimmo Viljamaa from the city of Vantaa, both members of the Six City Strategy steering group.

QUESTIONS UNDER REVIEW

During its preparation for the Peer Review workshop, the city was asked to prepare three questions to be later discussed with peers. The representatives of 6Aika formulated the following questions:

1) How can we ensure that the results and lessons learnt of the Six City Strategy are integrated into the current policies of the individual cities?

**Why:** The success of the strategy will be measured based on the deployment and scalability of the results and outputs.

**What has been done:** Operating models have been developed and tested, pilots and experiments executed, and material about the results i.e. handbooks produced. We have also recognised the importance of the cities to be partners in the projects, as well as their role in the steering groups of projects. Spearhead projects have been working in co-operation between all the six cities, building strong networks in different levels.

**Main Challenges:** The development projects are carried out in networks whereas the operations of cities are managed in hierarchical organisations. The challenge is to build a connection between them. The strategy aims to change innovation and development culture which to some extent contradicts existing operations. This calls for cities to prioritize their operations and resources.

**What worked:** Co-operation network between cities and other partners in spearhead projects had promoted interaction and information exchange between the participants.

2) How can we better engage companies in co-developing Smart City solutions?

**Why:** One of the most effective ways of fostering innovations and increasing economic growth is to develop open operating models that enable the participation of all actors (Quadruple Helix).

**What has been done:** Companies are the main target group of the strategy. The actions are targeted to
companies and the development is done in co-development with companies. This has worked in major parts. The project proposals are evaluated according to the benefits of the targeted companies. The companies have been activated and offered different De Minimis benefits (e.g. campaigning & media attention, open & invitations based challenges, organising pitching training & opportunities, organising platforms for innovation development).

**Main challenges:** We have not reached as many companies as we aimed to. Co-development and co-creation is new to many actors. It is difficult to indicate the impacts of the actions, and the realisation of the benefits is slow. Development takes time, but companies and R&D&I partners expect results and changes quickly.

**What worked:** Kyky-model (accelerated co-creation of digital products with schools and entrepreneurs) has been rewarding since it offers benefits quickly and in real time. The Kipinä (Spark) -concept has introduced a new way for cities to cooperate with companies. In the concept, cities set out a challenge and companies pitch their innovative solutions to it. As a result, better services are created to citizens and companies get new business.

3) **How can we better combine different sources of funding (ERDF, ESF and other funding instruments) in the strategy implementation?**

**Why:** One key element of utilizing the ITI mechanism is to combine different sources of funding. The contents and objectives of the Six City Strategy also support this.

**What has been done:** During the strategy implementation, both ERDF and ESF calls for project proposals have been organised approximately once a year. However, they have never been open at the same time. We have tried to support the connection between the two funding instruments by defining similar/corresponding themes for the calls for proposals. As one of the goals of the strategy is to create new business, cooperation has also been tested with instruments that can grant funding to companies (Tekes, Innovative Cities -Programme).

**Main Challenges:** Different funding instruments have different target groups as well as different requirements for receiving funding. So far, we have used the ESF instrument too traditionally, financing projects whose actions target the typical ESF target groups (not enough linkage to the business sector which would be important strategy-wise). Also, we have not yet been able to find the relevant, cross-cutting themes which would link the actions between ERDF and ESF projects. This is rather time consuming and requires know-how on the instruments.

**What worked:** The SOHJOA project that brings automatic minibuses to urban streets has integrated at least Tekes (national) and ERDF funding.
DISCUSSIONS 1 ON INTEGRATION INTO CURRENT POLICIES

ORIGINAL QUESTION:

How can we ensure that the results and lessons learnt of the Six City Strategy are integrated into the current policies of the individual cities?

RETHINKING THE QUESTION:

While discussing the question it became clear that the new operating models and tools from 6Aika are not easily understood and used by the individual city organisations. It is not so much about adopting a certain project, but more about changing a way of working and thinking in the 6 cities.

The second group had a brief discussion on the core topic of urban development being multidimensional, beyond the economic development and service provision core aim of the strategy. There were doubts if the process is being properly orchestrating as some of the participants expressed the view that despite impressive involvement of actors the principles of an integrated approach were missing.

At this table the new question could have evolved into two different new questions; one facing this strategic issue (principles of an integrated approach were missing) and the other addressing the link between the Six City strategy and the strategies of the individual cities. It was decided to go for this second option, which was more tuned to the profiles of the three officials from 6Aika at the table and also more likely to produce practical lessons and advice.

Therefore, the question was reformulated into:

How can we ensure that results and lessons learned from 6Aika can be mainstreamed into the core policies of the 6 individual city organisations and the broader urban ecosystem?

POLICY ADVICE

Invest in a feeling of ownership in the city organisations. If politicians and officials are involved from the start they would want to adopt the results. For the same reason involve urban planners in the early development stage of 6Aika strategy projects.

It is also about creating a new mind set among mayors, politicians and civil servants. This capacity and knowledge to use the results needs work. Use change agents. A change agent is a person from inside or outside the organization who helps an organization transform itself. The focus is on the people in the organization and their interactions. Work on policy officer’s training on innovation culture, e.g. Denver Peak academy. Denver Peak Academy trains and coaches employees at all levels to improve the way government works. Through innovation, employees do more with less and enhance the Denver city experience.

Next to people also the organisation structure of the cities might need to change to be able to absorb these new operating models and tools. Invest in mutual interaction with individual city strategies to induce change in the right direction. Examples exist, e.g. Ghent now has a strategy office with 100 people which
deals with coordination of and communication about the integrated sustainable urban development strategy of the city, Bologna and other 9 cities in the region work together on collaborative governance in their LabGov project and in the Thessaloniki metro strategy 7 cities work together to define common selection criteria which reflect the different priorities of each city.

Communicate more about the 6Aika strategy. Communicate with more clear and tangible examples: models, different stakeholders, facts and indicators. Show what are the gains, what municipalities and officers could gain from this new working method. Build a better narrative and show the big picture of what the 6Aika strategy can do for sustainable urban development.

LESSONS LEARNED AMONG THE CRITICAL FRIENDS

- Feeling of ownership and change in mindset are important 'soft' results needed to make the strategy alive
- Important to communicate clear and tangible examples
  - To create a common understanding
  - To reach different stakeholders
- Always try and see the big picture (how many things are interlinked) on urban development and be ambitious.

DISCUSSIONS 2 ON HOW TO BETTER ENGAGE COMPANIES

ORIGINAL QUESTION:

How can we better engage companies in co-developing Smart City solutions?

RETHinking THE QUESTION:

The main target of the 6Aika strategy are companies. Although many projects are advancing well the engagement of companies is not yet up to the level that was hoped for. The problem appears to be that the relationship between companies and big cities is based on an economic logic: the first wants to sell a product to the latter. Companies are afraid they lose time. Public money is linked to heavy bureaucracy and loss of time. Due to often limited resources within companies it is hard for companies to see the added value of their involvement; the value of the proposition of the public sector is not clear. At the same time the legislative framework of the public sector usually not designed with the private sector environment in mind.

Therefore, the question was reformulated as follows:

How can we build trust and motivation to engage companies while taking into account public sector restraints?
POLICY ADVICE

Invest in building trust. Reflect on who reaches out to companies. A conference with the mayors will be a good communication action at strategic level. Use intermediaries who 'speak' business. Find 1-2 big companies to mentor/invest in, then this might stimulate others to join. Ask companies what they need and envisage having prizes for companies. Be less sensitive towards big companies; don’t be afraid.

Work on the motivation to join the strategy. Open data which cities can offer, may help companies to discover new demands from customers, new products-services, new markets. Therefore, invest in this data, harmonize it, make it free and reliable. Ask companies for solutions about concrete problems which could benefit city/cities, citizens or the public in general.

Use the leverage you have as a group of big cities. This could be your purchasing power, but also the possibility for rapid experimentation in so-called living labs. In Helsinki the Kalasatama area is an example of a smart city district purpose-built to supply proof of concept. By the time it is completed in the 2030s, the district will have created 10,000 jobs and contain 200 football fields-worth of new housing. Citizens are already benefiting from innovations like shared electric cars, the ability to control their domestic environment remotely, and a pneumatic waste collection system that sucks bags of sorted household waste through pipelines to a central collection system. Organise hackathons for quick solutions. Get both start-ups and big companies on the same platform so they can develop ideas on how to utilise the data for business purposes. This can create synergies between companies of the same value chain.

Make the best of the restraints linked to the public sector. Procurement can be a powerful tool for companies to come up with solutions to real world problems, financed by municipalities. In Alba Iulia they open call for proposals to start-up companies on the themes they want to work on, e.g. creative industries, e-health etc. Reflect on the best ways to do procurement because there exist different options. Ask companies what works best.

LESSONS LEARNED AMONG THE CRITICAL FRIENDS

- There are two ways to deal with public/private partnerships: to identify a public problem to solve or take into account companies’ needs.
- Building mutual understanding and trust by using a more targeted approach, mentors, intermediaries, transparent communication.
- Good strategies are emerging through bottom-up processes

DISCUSSIONS 3 ON COMBINING DIFFERENT SOURCES OF FUNDING

ORIGINAL QUESTION:

How can we better combine different sources of funding (ERDF, ESF and other funding instruments) in the strategy implementation?
RETHINKING THE QUESTION:

Representatives of the Six Cities strategy tries to explain more in detail what are the issues related to the question. It seems that the problem is twofold. First, the question is how to combine the two main sources of funding (ERDF and ESF) at the level of projects, and in terms of finding synergies among projects. This is a problem mainly because:

1) The two funds have different targets, ERDF targets companies, while ESF targets people (Unemployed for example);
2) ESF fund is limited, and the strategy doesn't put a strong emphasis on it.

Secondly, the question is how to find other sources of funding, instruments that can finance other actors like companies, considering that through ERDF they cannot fund any business directly.

The first issue is discussed, and Managing Authorities of other countries bring examples of Operative Programmes designed with the aim of combining different funds. Croatia decided to combine 5 TOs of ERDF with 5 TOs of ESF, in Romania there are regulations that put threshold for cross-financing projects: for example a project mainly financed by ERDF must be financed for 10% with ESF. The problem in Finland is that the OP is narrow, it has a very specific focus and it is not possible to put the money coming from structural funds in investments. In fact, it seems that in Finland there are many restrictions on the use of funds at national level and Operational Programme level.

Participants agree that such kind of restrictions might now be too late to change. If it is not possible to act at the national/OP level the discussion moves to strategy and project level. In Attica region through the ITI, ERDF and ESF must be combined at strategy level, while at the project level it is not compulsory to combine fund.

However, the issue stands also at project level. In Finland ERDF calls requires more time and effort. For this reason ESF calls are scheduled only when an ERDF call is finished, because there are not enough resources at city level to manage both jointly. In addition, most ESF funded project reside directly under the ESF Operational Programme, instead of being part of the 6Aika strategy. Additional conditions in the 6Aika strategy, such as the need to work with other cities, are more difficult to implement.

As conclusion of the first round, the question is reformulated in this way:

**How to use simultaneously ERDF and ESF with other financial instruments in projects?**

POLICY ADVICE

In the Attica region Local Authorities establish a specific goal and then build the strategy and the combination of funds around it. In Romania the question of other sources of funding is considered from the stage of elaboration of the strategy. In the case of Alba Iulia the local budget was limited, so they needed to use bank credit or other funds like municipality bonds in order to be able to pay the co-financing part. The first advice is then to sharpen the strategy, identify various sources of funding that can be combined later, and to give examples to cities.

In finding this common goal, put both companies and citizens as beneficiaries. Now the strategy is very company focussed. If the strategy doesn’t define joint targets the suggestion is than to come back to the preparation and planning of projects; build projects with criteria that put citizens as ultimate beneficiaries.
Alba Iulia makes the example of municipal bonds as a possible alternative source of funding. The municipality gives micro credit mainly to citizens (and eventually to companies) with a fix interest rate. In this way citizens become borrowers. Through this tool 10 M euros were used for transport infrastructures, green spaces and neighbourhood development.

Moreover, Alba Iulia, in terms of technological development, pointed out a smart city project in which 100 companies will invest in pilot smart solutions. After that, the projects will be evaluated and the municipality can decide to invest in the projects or not. For the moment the project is 100% funded by private companies.

A suggestion could be that of combining loans, municipality bonds and private funding. There exist financial instruments like JEREMY, JESSICA and JASPER (that is for technical assistance, and can be used on specific subjects like energy) and EIB framework loans that could be used by the Finnish cities. One way to attract more ESF projects could be by making the calls for projects of the 6Aika strategy more appealing, working on the calls or making more visible the added value of the 6Aika strategy e.g. cooperation among cities as added value. Finally, Horizon 2020 could potentially also be an additional source of funding.

LESSONS LEARNED AMONG THE CRITICAL FRIENDS

- Flexibility is important
  - sharpen the strategy early on
  - identify beneficiaries
- Try to simplify and streamline EU and national rules as much as possible
PART 4 | INFORMAL ASSESSMENT

Officials from 6Aika filled in a self-assessment questionnaire prior to the workshop. Invited experts and selected peers filled in a standardized questionnaire afterwards. The questionnaire was composed of 9 sections, each with a number of statements about the integrated sustainable urban development strategy of 6Aika. 6Aika officials and the experts had to indicate whether or not they agree with the statements. In addition, comments are included from participant evaluation forms and participants’ comments given prior to the workshop.

I. INTEGRATED APPROACH

6Aika agrees that the strategy contributes to setting out an integrated response to the economic, social and environmental challenges identified, that contributions from a range of agencies within the area of the action plan are foreseen (horizontal integration), that contributions from higher levels of government in the action plan are foreseen and that actions integrate sector-specific policy areas. 6Aika strongly agrees that the actions refer to multiple ESIF thematic objectives. All experts agree on the presence of a vertical partnership and that actions refer to multiple thematic objectives. The experts are divided about the horizontal thematic integration of the strategy; two agree, one is doubtful and one expert disagrees that a range of agencies contribute to the area of the action plan.

The reservation about the integrated nature of the strategy came back in many of the comments and suggestions made by the participants in the ex-post survey. Several participants referred to the economic nature of the strategy, i.e. very much focussed on information technology for businesses.

Participants suggest to try and make the strategy more thematically integrated, make it a ‘real’ urban strategy focussing on the needs of territories and citizens. Are cities only enablers? Reflect on a more integrated approach also in more thematically integrated projects. If the strategy is a success, continue and broaden the scope, add spearhead projects. Try to implement projects in all six cities at once.

II. THE OUTWARD LOOKING DIMENSION

6Aika is not so convinced about the outward looking dimension of the strategy. This includes the statements that the strategy takes into account the position of the city with regard to other countries and cities in the EU and beyond, that the strategy fosters strategic cooperation with other countries and cities, that sufficient efforts are made to avoiding imitation, duplication and fragmentation, in particular with regard to what is happening in neighbouring cities, and that the cities under review foresee cooperation through URBACT or other initiatives. The experts are also hesitant or disagree on the statement that other countries and cities have been taken into account. They agree on the statements about avoiding duplication and the use of Urbact and/or Interreg.

Several participants underlined that they were impressed by the strategy and the way the Finnish cities work together.

III. ANALYTICAL WORK BEHIND THE INTEGRATED SUSTAINABLE URBAN DEVELOPMENT STRATEGY

Regarding the analytical work 6Aika agrees that the strategy builds on a sound analysis of the existing
situation, the development potential, that key challenges have been identified in relation to the territorial analysis and that other quantitative and qualitative methods have informed the strategy. 6Aika disagrees that the strategy contains problem analysis and option analysis and considers urban-rural linkages not applicable. One expert agrees on all statements. The other experts agree on most statements, but are doubtful that qualitative and quantitative methods have informed the strategy and disagree that urban-rural linkages have been taken into account.

IV. STAKEHOLDER ENGAGEMENT

6 Aika disagrees that the strategy has been developed through a broadly-based process of direct stakeholder involvement, including local citizens and civil society and that this process has been clearly described in the strategy. 6Aika does agrees that the governance structure is clearly depicted and responsibilities are clearly shared among stakeholders, that there is an identified leader, that there are mechanisms in place to ensure that stakeholders are engaged during the implementation of the strategy, and that the stakeholder engagement process has been developed through measures such as surveys, consultations, meetings, dedicated working groups and/or workshops. The expert are overall positive. However, one expert disagrees about the direct stakeholder involvement, one expert is unsure whether a leader is identified and another expert has doubts about the stakeholder engagement process.

V. SHARED VISION

6Aika considers it has a strategy which offers a midterm/long-term vision for the city, that the vision is clearly described and clarifies the expected change, that progressive steps to achieve the expected change are identified, that the vision is credible and realistic, and that priority fields of actions and priority target groups have been identified. 6Aika is unsure whether the vision is spatialised. All experts agree that the vision is credible and realistic and that priority fields have been identified. Two experts are hesitant to support the statement that the vision offers a mid-term/long-term perspective. One expert doubts whether the vision is clearly described and spatially represented.

One participant suggests to sharpen the strategy, make clearer what is the common vision.

VI. ACTION PLAN

6Aika officials find the definition of the intervention area and the indication of responsible bodies for implementation the strongest points of the strategy. 6Aika further agrees on the presence of action lines and/or realistic roadmaps in line with the objectives and that a clear logical progression from description of situation to problem analysis to proposed actions is present. 6Aika disagrees that a chart showing actions and timetable is present, nor that the strategy is spatially represented. 6Aika is not sure whether actions are well described and give a clear picture of what is intended. Here the opinions of the experts concur. They are all doubtful about a realistic roadmap, clearly described actions, the presence of charts, option analysis and the statement that solutions and indicators relate clearly to problems. They agree on the other elements.

VII. POLICY COORDINATION

6Aika feels the strategy and its actions are complementary to national and regional level planning and that the strategy shows links with other existing strategies at local/regional/National. 6Aika is less convinced
the strategy assesses and takes into account the existing level of policy coordination within the city. All experts agree on the complementarity with national policy. The experts are divided on the existing level of policy coordination and the link to other existing strategies. This likely echoes the comments by the participants that the strategy seems very ICT oriented and that the link with more classic sustainable development themes such as tackling deprived neighbourhoods, greening of the city or promoting public transport is less clear.

VIII. POLICY MIX AND FUNDING SCHEME

6Aika disagrees that financial commitment of the private sector with the strategy is demonstrated, that the strategy includes financial instruments and an appropriate mix of grants, loans and financial engineering instruments. 6Aika also disagrees that the strategy includes a framework outlining available budgetary resources including a clear proposal on how to exploit synergies between different European, national, regional and other local funding sources. Regarding the statement that the strategy includes a clear proposal on how to exploit synergies between different EU funding, 6Aika has doubts. Here, the experts are confident that the strategy identifies budgetary sources, but the experts are unsure or disagree on the synergies between national, local and different EU funding.

IX. FRAMEWORK FOR DELIVERY: GOVERNANCE AND MONITORING SYSTEM

6Aika strongly agrees that the strategy has political backing, that the framework for delivery is clear, that risk analysis is present and that the processes in place support policy learning. 6Aika disagrees that the strategy identifies output and result indicators and a realistic timeline for these goals, but agrees that the strategy is well communicated to stakeholders and the general public, that there are mechanisms for ensuring support for the strategy from political level and involvement of politicians, that the strategy includes indicators to measure anticipated results in its implementation and that the strategy has a sound governance and monitoring system in place to implement, monitor and evaluate the urban sustainable development strategy. 6Aika is not sure whether there are mechanisms for ensuring support for the strategy from critical groups and the active participation of such groups in its implementation, nor whether the chosen indicators are able to measure the expected change in the different fields of the strategy. The experts equally agree on the political backing, the clear framework for delivery, the presence of concrete, achievable goals and the statement that a sound governance and monitoring system is in place. They all have doubts about whether the chosen indicators are able to measure the expected change and they are divided about the other issues regarding communication, support from critical groups and policy learning.

UDNs FURTHER SUGGESTIONS

It is clear that having one Integrated sustainable urban development strategy for six cities which are not a functional urban area is a very unique set-up. This offers great learning opportunities for the participating cities and economies of scale for developers of new ICT services, in turn fostering employment and improving services for citizens. On top of this, the 6Aika strategy seems very well organised. Something that was reflected in the well organised peer-review and site visit and recognised by the participants.

Of course, all is not perfect. The questions of 6Aika all refer to deepening engagement: of the individual city organisations, of the stakeholders (the companies), of funding providers. The other participants added a
deepened integrated approach to this list.

In their evaluation forms, a large group of participants suggest better communication as part of the solution. Communicate more, communicate the results better. Make clearer how the spearhead projects can help solve real world problems. Be specific in communicating the goals of the strategy to other society actors (society, business). Create a communication strategy which focusses on citizens and actors in the 6 cities, but also on international actors. Have a look at the methodology of dissemination of good practices developed by the European Commission for education/ vocational training.

Next to communication, a second group of activities that might have an impact is capacity building. Increase the capacity of city administrations to think and act in line with the innovative ideas and working methods developed in 6Aika, and train your own 6Aika organisation in developing more cross-thematic links in the strategy. Capacity can increase through targeted training. One participant suggested the Denver Peak Academy as an example. Relatively easy to organise would be an internal UDN-style workshop. Invite different city departments and/or different Finnish cities to peer review integrated nature of the strategy. This might give you worthwhile ideas for improvement or broadening of the strategy and can at the same time improve the level of identification of every city with the 6Aika strategy.
PART 5 | LESSONS LEARNED AND FOLLOW UP

CITY: SUMMARY OF LESSONS AND ACTIONS

What are the specific lessons for the cities of 6AIKA from this peer review exercise? Below are the main lessons learnt and possible actions linked to these lessons.

Lesson Learnt 1

Method used in the round table discussions - building a common understanding.

The Six City Strategy is implemented by a large and heterogeneous network of people from the six cities. It is crucial that we understand the terminology related to the implementation and purpose of the strategy in the same manner. To do so, we can utilize the method used in the round table discussions of the peer review.

Linked Action 1

We will apply the method in our workshops.

Responsible body 1: The Six City Strategy Office

Timeframe for realisation 1: Beginning of 2018

Lesson Learnt 2

We need to review the message of the Six City Strategy and make sure that our communication activities are focused on and directed to the relevant target groups. In order to reach the target groups, we need to work together with the right people.

We need more marketing-type communication activities, making our message simpler and the offering more attractive (a good example of this was the presentation “City as a startup” from Alba Iulia).

Linked Action 2

We will modify the content of the 6aika.fi website, focusing on using simpler language and bringing forth outputs that can be utilized and actions that companies and other relevant target groups can take part in. We will strengthen the cooperation and communication with the pilot projects.

We will make sure that we have the right people in our network who work with companies and have...
contacts with them.

Responsible body 2:
The six cities and the strategy office

Timeframe for realisation 2:
Planning starts in December 2017, more effort will be put to this in spring 2018

Lesson Learnt 3

We have a lot of know-how and expertise in smart city development as well as in implementing a new operational model. We can be proud of our accomplishments and share them actively.

Linked Action 3

We need to be more active in bringing forth the proceedings of the Six City Strategy in different forums, in particular to politicians and decision-makers. We will make a plan for the year 2018 of the events, conferences and meetings we need to take part in.

Responsible body 3:
The six cities (six city coordinators, steering group, management group) and the strategy office

Timeframe for realisation 3:
Planning starts in December 2017, implementation in 2018