THE SIX CITY STRATEGY
Strategy of Helsinki, Espoo, Tampere, Vantaa, Oulu and Turku

- Six largest cities act as innovation and experimentation environments to strengthen national competitiveness
- Carried out between 2014-2020
- The strategy is funded by the ITI mechanism
  - European Regional Development Fund
  - European Social Fund

Working Together Towards Open and Smart Services
Three focus areas

- Open innovation platforms
- Open data and interfaces
- Open participation and customership

Are used to create new know-how, business and jobs by utilizing openness, digitalization and partnerships
Our expectations from the Peer-Review Workshop

Objectives and expectations:
• To share what has already been done in the strategy
• To gain insight and advice on the strategy implementation

Experiences we would like to share:
• How the cooperation between the six cities on a joint strategy works

What can others learn:
• Gain insight on how a multi-city integrated urban development strategy could be carried out in your country
Three questions we would like peers to discuss

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

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

3. How can we better combine different sources of funding (ERDF, ESF and other funding instruments) in the strategy implementation?
Urban Context
Internationally significant marketplace: 30% of population living in the six cities

- Helsinki: 640,767
- Espoo: 277,116
- Tampere: 229,288
- Vantaa: 221,503
- Oulu: 200,649
- Turku: 187,717

1.68m people in the Six Cities

5.44m people in total

= 100,000 people
Facts and figures

- Inhabitants in the Six Cities: 1,757,040
- High education level above the national average
  - 190,000 students, 10 universities & 9 universities for applied sciences
- 41.5% of the all jobs in Finland are in the Six Cities
- 99,700 people work in the city organisations
- Top 3 industries in the Six Cities
  - Services
  - Commerce and traffic
  - Industries

National impact of the regions of the Six Cities:
- 40% of total company revenues
- 61% of GDP is produced
- 75% the RDI expenditure
Facts and figures

In Finland, local authorities have broad responsibility for the provision of basic public services to their residents and strong self-government based on local democracy and decision-making and the right to levy taxes.

Common features of the Six Cities’ competitiveness:
- strong population growth
- high educational structure
- large number of students
- well-functioning infrastructure
- ability to utilize digitalisation

Shared challenges:
- Social problems, i.e. dependence on social assistance benefit is more common in the biggest cities.
A Different Approach to ITI
In the beginning of 2010s Finland faced challenges:

- **Effects of urbanisation**: similar challenges emphasize need for cooperation.
- **A long history of previous cooperation**.
- **Previous experiences** from e.g. URBACT, Interreg, and Finnish sustainable development networks.
Building the evidence base for the strategy

- **Spillover effects** > Competitiveness of the six biggest cities is vital for the development of the rest of the country

- Cities in Finland have a central role in **strengthening competitiveness**

- Cities as change enablers > Supporting the **growth of new business**

- For companies, the six cities together form a large enough & attractive **platform to test new solutions**

- Crucial to **speed up growth and innovation** by utilizing the existing operational environment
Six cities - one ITI strategy

- Competitive tender for ITI strategy in 2013
  - The six cities’ proposal chosen due to innovativeness and alignment with the operational programme’s objectives
- Strategy design city-led
  - Strategy based on the cities’ Smart Specialisation strategies for regional development
- Implements the specific objectives of the priority axes of the OP
  - PA2: Producing and using the latest information and knowledge
  - PAs 3,4,5: Employment and labour mobility, Education, skills and lifelong learning, Social inclusion and combating poverty
- Combines several ESIF Thematic Objectives
- Managing Authority: Ministry of Economic Affairs and Employment
- Intermediate bodies: Helsinki-Uusimaa Regional Council (ERDF), The ELY center for Häme (ESF) and the six cities
  - Cities decide on the strategy implementation, define the themes of calls for proposals and propose projects to be funded
The Six City Strategy
Vision and change

- Cities as experimentation environments for new products and services to create world-class reference sites
- Collaboration to create economies of scale
- To create and embed an operating model for joint urban development on different levels of city administration – agile cooperation during and after the Six City Strategy
- Successful solutions implemented in the six cities are reproduced for use in others
Quadruple Helix as the framework of the Six City Strategy

Open participation and customership

Customer segments, customer information and understanding as the basis for developing services

Development of user orientation, user needs and evaluations

Open innovation platforms

Test platform for developing and testing new solutions

Users
Citizens

Developers
R&D organisations

Enablers
The six cities

• R&D projects
• Public contracts
• Competitiveness of companies
• Support for SMEs
• Infrastructure
• Enabling of services

Utilisers
Companies and communities

• R&D projects
• Workforce training
• Commercialisation
• Internationalisation
• Entrepreneurship

Open data and interfaces
Management and steering

Management Group
Directors from the six cities

Steering Group

The Six City Strategy Office

Implementation in three thematic focus areas

Open data and interfaces

Open participation and customership

Open innovation platforms

Pilot Spearhead project Spearhead project Pilot Spearhead project
Governance and stakeholder engagement

• Six City Strategy projects are implemented by the six cities, R&D organisations and the third sector
  Shared agreement, each city committed to the strategy for the whole programme period (2014-2020)
  The main target groups of the projects are companies and R&D organisations
  Citizens are direct target groups only in ESF funded projects

• City councils have decided on the participation in the strategy
  The progress of the strategy is presented to city decision-makers and politicians on a regular basis
  Each city can decide how to locally organise and share their resources
  Resources for the joint strategy office are shared evenly
Policy coordination and funding scheme

- The strategy aims to integrate and exploit the synergies between different policies and funding sources
  - E.g. through defining the themes and criteria for the open calls
  - The connection not yet strong enough

- Utilization of other funding instruments (in addition to ERDF and ESF) needed
  - Enabling companies to participate in projects (main target group!)

- The strategy does not include other financial instruments or foresee a mix of grants, loans or financial engineering instruments
  - Other sources of funding available provided by the Finnish Funding Agency for Innovation, and partly from the cities
Participation

- 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
- In ESF pilot projects citizens are a direct target group, participating in project activities
Strategy Implementation
OBJECTIVE: New know-how, business, and jobs

- Urban innovations develop quickly, and changes in the operating environment are difficult to predict -> strategy is implemented via projects
- The strategy promotes interoperability between participating cities
  - Each project involves actors from at least two cities
- The joint objectives are based on the needs of each city at the local level

Timeframe

- **2014-2017**: Focus on organising the operational management, steering and coordination of the strategy
  - Spearhead Projects start in three focus areas
  - Organising the first calls for project proposals, 4 ERDF calls and 3 ESF calls.
- **2017 onwards:**
  - Open calls for project proposals twice a year
  - Focus in disseminating project results and best practices to stakeholders (other cities, companies, r&d organisations etc.)
Monitoring the progress of the strategy

- Management Group and Steering Group in meetings and joint workshops
- Interim evaluations (2015 and 2016) and final evaluation (2020)
- Model for assessing the impact of the Six City Strategy projects
- Project indicators

- Aim is to direct 25% ERDF funding at low-carbon activities
Spearhead projects

- Three spearhead projects where all six cities involved
- Build the basic functions of the focus areas and create the preconditions for carrying out innovation activities
  - In cooperation with companies and other operators
- Duration three years
- Funded from ERDF, budgets from 8-12 million €
Open Data and Interfaces Spearhead project

Consortium: Six cities + 4 other partners
Target group: Companies

Main Objectives:
● Open and harmonize public data and APIs using common data models and standards
● Speed up data driven business - open data as the raw material for new services
● Bring open data model as part of the cities’ normal operations

Main results so far:
● Collaboration between the cities has been raised to a whole new level
● Open data operation models
● Open data portals published as open source so anyone can benefit from the results
● [DataBusiness.fi](http://DataBusiness.fi) website and services
● Specifications, open source reference implementations and pilots of four harmonized open APIs: events, issue reporting, decisions and resource reservation.
● 100+ companies have participated

Main challenges:
● Opening data and APIs is a complex and slow process. Harmonizing the data between different city systems makes the process even more difficult. Companies don’t have time to wait months or years.
● Companies’ low awareness about what open data is and what data actually exists in the cities.
● Reliable, uninterrupted and well managed distribution of data.
Open Innovation Platforms Spearhead Project

Consortium: Six cities + 6 other partners
Target group: Companies, research and development organisations

Main Objectives:

● Driving new competence development, business and job creation through utilizing platform economics in the city context
● Open innovation platforms are environments where new services, solutions, and products are created and tested in real-world conditions
● Building a national network of open innovation platforms
  ● A “one-stop-shop” environment for accessing the network of open innovation platforms

Main results so far:

● Common location for sharing the Open Innovation Platforms: citybusiness.fi
● Number of shared open innovation platforms
● Company collaboration on the platforms (+ new jobs created)
● New, shared and scalable operating models, e.g. Agile Piloting and School Community Living Lab
● Publications and handbooks, e.g. Open Innovation Platforms Handbook for Developers

Main challenges:

● Mapping the platform economy principles with how cities traditionally work. Creating awareness of new ways of working with platforms.
● Ensuring the continuity by embedding the new operating models as part of city structure
Open Participation and Customership Spearhead Project

Consortium: Six cities + Turku University of Applied Sciences
Target group: Companies, research and development organisations

Main Objectives:
- To create a new way of planning, implementing, and developing public services with business, customers and NGO partners
- To promote service design and usability of services
- To test and enable new service business opportunities in the field of customer service

Main results so far:
- Digital service platforms where public, private, and NGO services can be found side by side
- Re-designing public services in co-operation with businesses and finding new business opportunities (e.g. customer service, health & welfare services for families)
- Design principles for digital public services
- Experiments of co-design between customers, companies, R&D organisations, and cities in service development
- Building innovation culture in different sectors of public services

Main challenges:
- Finding opportunities (processes, platforms, methods, interaction) for co-design in order to create new service business opportunities from different sectors of public services
- Recognising the most developable and profitable proposals for creating business
- Re-designing and changing the logic of planning, implementing, and developing public services
Pilot projects

- Pilot projects help to test and develop new solutions in the focus area
- Support the spearhead projects by utilizing and further developing the results and solutions created in them
- Applied via open calls for project proposals

- At the moment 28 ongoing pilot projects
  - Duration 2-3 years
  - Funded with both funds (ERDF and ESF), budget range from 0.5-5 million €
- Target groups:
  - ERDF = companies, R&D organizations and cities
  - ESF = unemployed persons; e.g. youth & students, immigrants, persons with an university degree
Pilot project themes

E.g. smart mobility, cities as a testbed, gaming and learning, health and wellbeing, urban data modeling, opening and utilizing in business...
Pilot project themes

...circular economy and cleantech, media, service design, co-creation, career paths for the young, employment.
ERDF projects and budgets

- Spearhead projects (Data & interfaces, Innovation platforms, Participation & customership) 28.7M€
- Smart mobility, infrastructure (6) 6.6M€
- Learning, media (3) 6.4M€
- Strategy Office (2014-2020) 5.8M€
- Circular economy & cleantech (3) 3.6M€
- City information, data-analytics (4) 4.2M€
- Health and well-being (3) 1.32M€
ESF project budgets and target groups

- Young people and students (4) 3.75M€
- Educational organisations (2) 2.15M€
- University educated (2) 1.6M€
- Long-term unemployed (1) 930K€
- People with little work experience (2) 916K€
Evaluation and lessons learned
Main results & findings from the cities so far

- Learning from other cities
- Stronger developer network
- More systemic collaboration
- Opening data & enabling new business
- New service production models tested
- New, innovative procurement processes tested
- New operation models, platforms & praxis tested
- Agile, scalable experimentation models
- Better resources & know-how for urban innovations
- Seeing the opportunities of digitalisation
- More customer orientation in cities
- Seeing city as an ecosystem
- Seeing city as an innovation platform
- Stronger innovation culture
- Better resources & know-how for urban innovations
- Agile, scalable experimentation models
# Evaluation of the strategy

## Strengths
- Increases cooperation between the six cities, especially between experts
- Thematically ambitious focus areas
- New and stronger innovation & development culture for cities

## Opportunities
- Possibility to build long-lasting cooperation between the six cities which strengthens Finland’s competitiveness
- Building large enough reference site for companies to expand their business, in particular internationally
- Possibility for cities to prepare themselves for the ongoing national structural change of cities and municipalities

## Weaknesses
- Companies as stakeholders and cooperation partners not yet as involved as would be needed to achieve the strategy’s goals
- The decision-making processes in the six cities are slow
- Building the cooperation models between the different actors is slow
- Lack of know-how in the funding instruments to fully utilize their possibilities

## Threats
- The selected implementation projects do not produce the desired impact
- The results and outputs of the projects are not sufficiently communicated and disseminated for other actors to utilize
- Utilization of the results might not be effective: Integration, scalability are inadequate
- Not being able to adapt to changes proactively
Lessons learned and next steps

• **Experiences and lessons learned**
  Updating and re-focusing the implementation is required (long strategy period)
  The more concrete the actions, the better the cooperation
  New projects should build on the learnings and experiments of previous projects
  Companies should be involved in an earlier phase and in a more structured way

• **Possible improvements in the strategy**
  More time in building a common vision between the cities and the stakeholders
  More precise objectives from the beginning

• **Success criteria**
  The participation of different actors in the co-development (measured via project indicators)
  The continuity of operations in the cities after projects have ended
  The deployment of projects’ results and outputs in other cities (nationally and internationally)
  The networks in different levels (experts) continue cooperation and co-development

• **Immediate plans for your ISUD strategy**
  Utilizing the model for assessing the impact of the Six City Strategy projects when e.g. defining the contents of the next calls for proposals and in supporting project preparation
  A strong focus on communicating and disseminating the achieved results and outputs of projects
The Three Questions
How can we ensure that the results and lessons learnt of the Six City Strategy are integrated into current policy 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 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 in spearhead projects promotes the flow of information.
Question for round table 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 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.
**Question for round table 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:** SOHJOA project has integrated at least Tekes and ERDF funding. A Tekes research and business project was created in parallel with a circulation economy platform developed in the spearhead project.
Thank you!