

CASI: Project description

PROJECT TITLE: Public Participation in Developing a Common Framework for Assessment and Management of Sustainable Innovation (CASI)

COORDINATOR: ARC Fund, Bulgaria: Zoya Damianova

CONSORTIUM: The CASI consortium consists of 19 partners representing 12 European countries. Country correspondents extend the reach to 28 MS countries.

FUNDING SCHEME: Coordination and support action, funded under the 7th Framework Programme of the European Community, SCIENCE-IN-SOCIETY-2013.1.2

EU cities and regions in the role of societal pioneers and forerunners in building sustainable innovation eco-systems

Executive Summary

Since the ongoing financial crisis and the recent events such as Brexit and raising voice of populism questioning the integrity, stability and future of the EU, the focus turns to addressing societal challenges and changing of current approaches and thinking. The transition requires incremental and multiple changes, for which engagement and governance at local level is crucial. As a response to recent political events, EU policy makers put hopes in regional capacities. EU28 consist of 270 regions and 507 million people, whereas the governments of cities and regions manage two-thirds of all public investments, while three-quarters of EU policies and legislation target regions, with an immediate effect on citizens lives. Several EU initiatives such as European Metropolitan Authorities (EMA) Declaration and initiatives under the scope of the European Committee of the European Regions support the development of EU cities and regions. These initiatives indicate that cities/regions are recognized as forerunners in building sustainable innovation (SI) ecosystems through broad stakeholder engagement and partnerships. This policy brief provides an overview of the current EU initiatives supporting the development of cities and regions, including examples of good SI practice based on the collaborative models that showing the potential of regional schemes.

CITIES, REGIONS AND SOCIETAL CHALLENGES

Nowadays almost 78% of EU citizens live in cities. Cities contribute as much as 85% to EU GDP. Obvious attraction to cities is their vibrant environment and the one-stop-shop concept offering ample infrastructure and services to its inhabitants and "users". Growing demands for better quality of life in cities add to the ambition to transform them into innovation hubs and consequently develop knowledge-based society and platforms of talents. For these reasons, EU institutions identified cities as focal points for tackling some of the challenges EU society and economy face: jobs, growth and investment, innovation, energy-efficiency, and low-carbon development, among other. Fortifying the linkages between cities and regions could address the fragmented EU and its market, by fostering new and ongoing EU partnerships (e.g. the European Innovation Partnership (EIP) on Smart Cities and Communities) and use of innovative instruments.

WHY DO CITIES AND REGIONS HAVE POTENTIAL TO RESPOND TO SOCIETAL CHALLENGES?

CASI project's approach has been built on a broad regional aspect, since CASI reaches out to all EU28 through 19 partners and 16 Country Correspondents, and is based on the understanding of innovation as a key driver of societal progress in the age of technology and imminent uncertainties about the future. To further boost sustainability as a core of innovation processes, CASI has fostered debate on conceptual dimensions, policy boundaries, and good practices combining innovative pursuits with sustainability objectives and integrating the perspectives of civil society, business, government, and research and education actors. CASI's database (i.e. CASIPEDIA) is a repository of EU-wide SI practices, of which many relate to cities and regions that have potential to become European champions of innovation.

THE RELEVANCE OF THE TOPIC FROM THE PERSPECTIVE OF CASI



INTRODUCTION

WHAT ARE PIONEERING REGIONS AND CITIES AND WHY DO THEY MATTER

The European Committee of the Regions is strongly advocating that every region and city in Europe can become a pioneer. Becoming a pioneer presumes undertaking a collaborative approach with other cities and regions in actively promoting entrepreneurship and open innovation based on the identified principle of the smart specialisation. The latter is considered a central aspect for shaping future policies and initiatives in the field of economic growth and is based on a bottom-up approach, which brings new actors to a shared decision-making process that is relevant for economic growth in countries and regions (EURADA, Position Paper Smart Specialisation Consultation, March 2017). The position of the European Committee of the Regions is that the EU would become more resilient to challenges and at the same time more competitive if built on the principle of pioneering cities and regions. The diversity of cities and regions is considered as an aspect to leverage from. Within this context, the leading pioneers shall be active peers in sharing knowledge and practice with its less advanced counterparts to help them to progress as well as to set the path for the newcomers.

IMPORTANCE OF TALENT AND SKILLS

Talent and skilled workforce is essential for the uptake of innovation and building of innovation eco-systems. Often we hear how high tech infrastructure have been built but not utilised due to the lack of strategic and proper business planning, which aligns human capacity with the envisioned business model, as its integral part. Policy makers at all levels are often criticised for not being able to understand the language of other societal stakeholders and the inability to be in touch with reality and what is happening 'on the ground'. The cohabitation of the regions and cities with its citizens is happening on a daily basis; hence they are the closest entities 'to the ground' and to the reality their inhabitants deal with, but are also aware of the competitive skills and talents they can leverage from. This cohabitation is considered a key for successful uptake of regional innovation eco-systems and building competitive strengths when accessing global markets. There is only one Silicon Valley and it is not located in Europe. Instead of trying to invent one, the focus shall be at creating local conditions based on the identified strengths and capacities. Public policy-makers in cities have a responsibility to facilitate a co-creative and participatory process in decision-making, to build a shared and clear long-term vision of the future and at the same time to recognise and enable new opportunities for sustainable regional growth.

THE EU INSTRUMENTS FOR REGIONAL GROWTH

The European Structural and Investment Funds (ESIF) consists of approximately €454 billion available for the period 2014-2020 and will be invested in more than 500 programmes. Five main Funds have been compiled to work together to support economic development across all EU Member States: European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD), European Maritime and Fisheries Fund (EMFF). Every EU region may benefit from the ERDF and ESF. However, the Cohesion Fund has been set up to support only the less developed regions. ESIF is the main investment tool of the EU. Together with national co-financing of €183 billion, the total investment amounts to at least €637 billion. Pursuant to the DG Regional Policy official sources, with €193 billion, the highest EU budget ever is allocated to investments in energy, environment, climate and sustainable transport. The programmes have the potential to significantly contribute to steering Europe on the path to a low-carbon economy.

SMART SPECIALISATION AS A KEY ELEMENT FOR PLACE-BASED INNOVATION POLICIES

Smart Specialisation is a key principle of the ESIF interventions as part of the current Regional and Cohesion Policy's contribution to Europe 2020 jobs and growth agenda. For the 2014-2020 programming period, the requirement for a national or regional research and innovation (strategic policy framework(s)) for smart specialisation is an ex ante conditionality for the ERDF investments in research and innovation. The definition of smart specialisation requires a vision, evidence-based competitive advantages, a limited number of strategic priorities, and the active involvement of the private sector as a base to identify and implement a well-defined set of policies to maximise the knowledge-based development potential of any region, being it strong or weak, high-tech or low-tech. The Regional Strategy for Smart Specialisation, RIS3, allows each region and Member State to prioritise and shape policy choices according to their unique socio-economic conditions and assets. RIS3 approach aims at embracing a broad view of innovation, not just a technological one, from market innovation to social innovation. It should not only consider the manufacturing but also the service sector from tourism to creative industries. According to European Commission sources, more than 120 regional and national Smart Specialisation Strategies are put in motion with a budget of more than €41 billion directly connected to these strategies.

THE EU INSTRUMENTS THAT HAVE A TERRITORIAL SCOPE

The instrument that aims at establishing innovation eco-systems on the basis of a specific regional development strategy is the Integrated Territorial Investment (ITI). Any geographical area with particular territorial features can be the subject of an ITI, ranging from specific urban neighbourhoods with multiple deprivations to the urban, metropolitan, urban-rural, sub-regional, or inter-regional levels (European Commission, Integrated Territorial Investment, Cohesion Policy 2014-2020, Factsheet, 2014).

The URBACT programme, within the framework of the European Territorial Cooperation programme, an instrument of the Cohesion Policy co-financed by the European Regional Development Fund, aims to foster sustainable integrated urban development in cities across Europe (following the success of the URBACT I and II programmes, URBACT III (2014-2020) has been developed). Its mission is to enable cities to work together and develop integrated solutions to common urban challenges, by networking, learning from one another's experiences, drawing lessons and identifying good practices to improve urban policies. The eligible budget under current of URBACT III is 96,3 M€.

EXAMPLE OF SUPPORTING COLLABORATIVE INITIATIVES

The Vanguard Initiative "New Growth through Smart Specialisation", launched at the High-Level Event for Smart Regions in 2016 in Brussels is a good example of the pioneering approach. The above noted initiative formed a network of now 30 regions committed to developing a bottom-up, business-driven approach for interregional cooperation in new industrial value chains with an aim to increase the competitiveness of the European economy and subsequently to improve lives to its citizens. The European Innovation Partnership (EIP) on Smart Cities and Communities facilitates partnership of more than 100 cities and engages more than 100 key industry players as well as other key actors such as academia, governments, associations and other institutions, including civil society for scaling up markets for the uptake of innovation. The European Metropolitan Authorities (EMA) Declaration that was signed in 2015 in Barcelona emerged from the initiative endorsed on behalf of mayors, presidents and political representatives from 15 metropolises (largest, busiest, and most important city in a country/region) and 10 EU countries calling on the EU to allow a larger degree of participation by metropolises in EU affairs.

European regions and cities best practices

Learning from peers, from their success as well as failures, has proven to be effective when exploring new grounds for the sake of setting up your own. The today's pioneer champions in Europe should serve as an inspiration to others and spread further the entrepreneurial spirit of innovation through the collaborative process and broad stakeholder engagement. The European Committee of the Regions has showcased several Pioneering Regions and Cities in Europe, with a hope that the others would follow. The above section noted European programmes and the funding these cities were using to scale up their innovation as well as broader collaborative models to reach an envisioned impact. For that reason, the European Committee of the Regions together with the European Parliament, the European Commission as well as with the representatives of the cities and the regions is organising continuous debates to further distil the utilisation of these programmes and funding at the regional level. These debates are very important, especially now when the future of the European Union is under discussion. At the moment when the European policy makers are revising the policy agendas, it is crucial to share practices and define 'what is working and what is not' and based on that input work on improvements. In the following paragraph of this policy brief we will elaborate on a few examples of cities and regions which innovations are relevant to the objective of CASI and the Grand Challenges set out in the Horizon 2020 programme of the EU, namely 'Climate action, environment resource efficiency and raw materials,' with a focus at the inclusive participatory process.

Innovation has been cultivated in Amsterdam's very core, in its DNA, and it has a historic dimension due to its landscape and challenges associated with it. Amsterdam has been developing its eco-system based on a bottom-up approach towards innovation, so called quadruple helix. Amsterdam is flourishing with initiatives that emerged from ideas about a 'common good' coming from citizens who have set up their own neighbourhood initiatives. Examples are locally owned energy companies, successful social start-ups and citizen-driven service providers. To raise awareness and showcase the multitude of positive change linked to those initiatives among its citizens, businesses and public organisations, the city of Amsterdam has decided to publish a new quarterly magazine named Nieuw Amsterdam. Amsterdam clearly has a long-standing tradition of bottom-up innovation, making it a vibrant, resilient and great place to visit, live and work. Amsterdam is home to a dynamic and productive hub of universities and businesses undertaking world-class research and innovation. Amsterdam's innovation ecosystem - which includes world class research in manufacturing, automobile, medicine, biochemistry, neuroscience and information research - gives a comprehensive evidence-based view of what the city is good at and where its growth will come from in both the near and long term. It also provides an important insight into what infrastructure is required to further support these trends. (European Committee of the Regions, Regional Innovation Ecosystems, CoR guide, 2016).

AMSTERDAM-INNOVATION CAPITAL
OF EUROPE IN 2015



ATTICA-FORERUNNER IN THERMAL AND BIOCLIMATIC INNOVATIONS

Attica is an administrative region that encompasses the entire metropolitan area of Athens, the capital of Greece. Nearly half of the Greek population, more than 4 million people, live in Athens' Larger Urban Zone, making it one of the most densely populated area in Europe (1 540 inhabitants/km²). The region is subdivided into eight subordinate regional units. Attica is planning to gradually restructure its productive base to create jobs, enhance innovation and the smart use of ICT by setting up business support structures and mechanisms. In addition, it is planning to improve the region's profile as a place to live and to attract investment through environmental protection and sustainable management and by promoting climate change adaptation. Measures to ensure social cohesion will be designed to create protection and support a framework for vulnerable groups and mitigate risk factors for poverty and social exclusion among segments of the region's population, which have been exacerbated by the crisis. These measures focus on the labour market integration of targeted groups with the biggest problems, while also improving access to welfare and health services and promoting equal opportunities, also through the creation of educational and health infrastructure. This pioneering vision includes objectives and factors such as: user-oriented innovation where public sector, industry, academia and citizens work together to drive structural change; making the region attractive to investors, business and citizens; urban planning that is focused on economic, social and ecological sustainability, taking into consideration conflicting social interests; circular economy; implementing the region's smart specialisation strategies (RIS3). (European Committee of the Regions, Regional Innovation Ecosystems, CoR guide, 2016)

ESPOO INNOVATION GARDEN-NORTHERN HOTSPOT OF YOUTH, INNOVATION AND START-UPS

Finland is ranked among the key global innovation leaders and the Helsinki Region, with its 1.6 million inhabitants, is the centre of the country's economic activity. Its strength stems from skilled people, the quality of its research and education environment, and its versatile business landscape. The region is transforming into a strong regionally based innovation ecosystem, with several locally based ecosystems networking effectively, each focusing on specific business developments. Its most visible outcome is Espoo Innovation Garden (EIG), a concept that Espoo (2nd largest city of Finland, located next to Helsinki) is using to spread the innovation mind-set throughout the city and also the region. EIG is fulfilling its pioneering role as a leading global innovation hub where ecosystem thinking is fully integrated in practice, and where entrepreneurial discovery and a start-up mentality drive collaboration. All participants experience multiple gains - business can develop the scalable product and service solutions that users want, the public sector can provide effective and affordable solutions to regional challenges, citizens share ownership of the specific, often highly personalized solutions they need, and universities can actively contribute knowledge and reap new knowledge and insights in return. The increased synergy helps achieve a far greater impact than ordinary development measures allow, or in other words, co-creation and collaboration result in higher impact. (European Committee of the Regions, Regional Innovation Ecosystems, CoR guide, 2016)

BERLIN - A PIONEER IN THE CREATIVE INDUSTRY AND OPEN ECOSYSTEMS

Berlin renews itself perpetually. In the past decade the city has undergone profound structural change. Together with its citizens the German capital has performed this change in a progressive and inspiring way to other people. The city is a magnet for creative and independent minds from all over the world. Berlin fosters this diversity by supporting innovative subcultures and free space for trial and error. As a result a flexible and reactive ecosystem is up and running with Berlin itself serving as an open urban living lab. Berlin's major investment in innovation is a motor for jobs and growth. Berlin has become one of the most important start-up cities in Europe. One particularly important driver behind is the digital economy with its applications, services (from online marketing to cloud computing) and end customer services (e-commerce, digital content). Digitalisation will change the entire industrial value chain. Here Berlin wants to be a pioneer as a provider of innovative solutions. Economic policy objective is to display the entire value chain in the technology fields of life science, digital economy/ICT, electrical and urban technologies such as energy, environment and mobility, to permanently anchor Berlin on the world map of technology-driven industrial and digital leaders. Thanks to the strength of research institutions and the Berlin locations of the future - especially the business and science location Adlershof - Berlin is providing the best conditions, to play a leading role as an innovation and high-tech location. (European Committee of the Regions, Regional Innovation Ecosystems, CoR guide, 2016).



LISBON- STATE-OF-THE-ART PLACE OF NEW EXPERIENCES

Lisbon is developing its political and economic vision based on concrete initiatives aiming to position the city and region as one of the most competitive, innovative and creative cities of Europe. The strategy aims at promoting the internationalisation and the competitiveness of Lisbon at a global scale. The purpose is to stimulate innovation, creativity and the entrepreneurship spirit making Lisbon a place open to new experiences. All initiatives included in the Economic Ecosystem cover the strategic domains of Entrepreneurship, Investment, R&D and Innovation and Strategic Clusters, and are currently being dynamically undertaken in the city, in partnership with multiple stakeholders. Cities should be based on new government policies empowering actors and partners in the implementation of shared projects. Lisbon is designing and actively promoting an entrepreneurial vision aiming to foster and build local networks to give citizens, companies, universities, public and non-profit organizations the opportunities to participate in the co-creation of ideas and projects, to foster a diverse range of entrepreneurship dimensions of the city. (European Committee of the Regions, Regional Innovation Ecosystems, CoR guide, 2016).

Concluding remarks

There is a strong intention on behalf of the European institutions to empower cities and regions to become drivers in developing regional sustainable innovation eco-systems and frontrunners of broad stakeholder collaboration. The examples of good practices presented speak in favour of positive, and evidence-based progress in that regard. However, there are still significant obstacles observed. Despite good examples, in many cities and regions collaborative models have not yet been established. Decision-making processes are often centralised and disconnected, hence there is no unified position or a possibility to run round multiconsultations that would gather all regional and city authorities as well as citizens with an aim to discuss all relevant issues and work further on translating the collected input into policy and strategic investments. Moreover, since there is no unified voice heard on behalf of the cities and regions, the EU level is receiving only information from the 'usual suspect structures.' As already said in the above noted paragraphs of this brief, at the moment when the European policy makers are evaluating policy agenda's as well as the tools and have open the consultations and the debate, it is necessary to 'hear all the voices' and based on the broad stakeholder consultations collect inputs for future improvements or at least agree to simplify rules and procedures where needed to enable the uptake of the regional innovation eco-systems.



Further Reading and References:

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