



EUROPEAN
U R B A N
I N I T I A T I V E

Leveraging Innovation Ecosystems for Sustainable Cities

Executive summary

EUI Capacity Building training
Tampere, Finland
29-30th of May 2024

CAPACITY BUILDING FOR CITIES

Sharing skills
and knowledge



Learning from peers



Supporting sustainable
urban development

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TABLE OF CONTENTS

01 Introduction

Innovation Ecosystems in
action **02**

03 Innovation Ecosystems
for Climate Actions

Innovation Ecosystems
for Digital Transition **04**

05 Governance in
Innovation Ecosystems

Conclusion **06**

01 Introduction

SETTING THE SCENE

Over 90 city practitioners came together in Tampere on the 29th and 30th of May 2024 to share experiences on ways to connect innovation ecosystems to sustainable urban developments.

The event was organised by the European Urban Initiative (EUI) Capacity Building team and hosted by the Innocities network which brings together Article 11 cities responsible from implementing Sustainable Urban Development in Finland for the 2021-2027 programming period.

The objective was to explore different EU-wide perspectives on maximising innovation systems as a tool for Sustainable Urban Development, and to foster cooperation between EU regions and cities.

The participants came principally from Finnish municipalities, but also other local ecosystem stakeholders, such as Universities, business support agencies and regional bodies.

EUI also invited representatives from 10 other EU cities and regions to share their good practices.

The programme was designed to meet the identified learning needs through a series of

workshops, study visits and marketplace sessions, as well as structured networking opportunities.

KEY LEARNINGS

Key learning was how to reinforce partnerships within local innovation ecosystems, across different economic sectors, and to prioritise sustainability actions.

Participants commented on the inspiration and ideas emerging from exchange with peers across Europe, as well as the replicability of the tools and methodologies shared. There was also an emphasis on the use of EU funds, partnerships and knowledge that Finnish cities are now better empowered to take up.

This report documents the learning, including the do's, don'ts and calls to action for each of the topics addressed.

The following sections capture the main results of each session.

All of the city practices and workshop materials are also described in the urban case study section of the [Portico Knowledge Hub](#). All of the cities cited are open to contact, partnership and city to city exchange with other European counterparts, via the [Portico community](#).



02 Innovation Ecosystems in action

WHAT DO INNOVATION ECOSYSTEMS LOOK LIKE? HOW DO THEY WORK IN PRACTICE?

The successful innovation ecosystems showcased in Tampere share a number of key elements:

- **Multi sector collaboration** between public and private sectors, knowledge institutions and citizens. When this is actively facilitated it produces a culture of experimentation, opportunity and motivation to innovate.
- **Alignment with the city's strategic sustainability goals** across policy priorities such as energy, circularity, mobility, business growth, placemaking.
- **Long term vision, planning and investment** with targeted interventions, and scalability for pilot actions.
- **Talent development to create an entrepreneurial culture**, to provide future oriented education for young people, to re skill adults all of which fosters more innovation potential.
- **Supportive framework policies from all levels of governance** such as R&D, investment, crucial infrastructure, data sharing, procurement and internationalisation.
- **Political support across partisan lines** and over the long term to create a fertile innovation environment.
- **Inclusion of all communities**, for instance through participatory processes and accessible language.



Driving sustainable urban development with Innovation Districts

Key learnings from Ørestad

The workshop highlighted the importance of **collaboration, inclusivity, long-term planning, and community engagement** in developing successful regional innovation ecosystems. Participants were provided with valuable insights into creating sustainable and forward-thinking urban environments. The discussions emphasized the need for a **balanced approach**, integrating both expert knowledge and cross-generational community input, to drive innovation and ensure the success of innovation districts. Workshop [tool](#) is available on Portico.

01

Public-Private Cooperation: Effective collaboration across sectors, particularly between public and private entities is crucial for the success of innovation districts. Collaborative projects require resources, coordination, commitment and political ownership. The role of the facilitator or impartial coordinator and link between sectors is critical.

02

Inclusion and Communication: Language and terminology used in innovation projects should be inclusive, ensuring that no stakeholders feel excluded and taking into account the local residents. For example, residents often do not want to live in 'a living laboratory', language is important.

03

Long-term Implementation: Innovation districts should focus not only on immediate innovation but also on long-term scalability and implementation of ideas. It's important to keep this long term and scaling perspective in mind.

04

Stakeholder Involvement: Engaging various stakeholders, including the community, is essential for holistic urban planning and development. This includes involving citizens in the branding and development processes to create unique city districts and happy residents who have agency over the development of their local area.

05

Resource Allocation and Political Support: Developing innovation districts requires significant commitment, buy in and support from political representatives to drive initiatives forward and create a vital communication link between business and policy.

06

Community Building: Building a sense of community and involving citizens in the process can lead to more sustainable and inclusive development ensuring that spaces are welcoming for people of all backgrounds, cultures and abilities.

07

Urban Planning and Sustainability: The integration of nature, city planning and collaborative innovation projects focussed on sustainability (energy flex lab, urban insights data lab, business innovation district) as seen in Ørestad, showcases the potential for sustainable urban development.

08

Data is the new oil: Data holds critical value. Its collection and analysis helps us to see define and measure challenges, analyse patterns, cause and effect, ideate solutions and monitor change. Cross sectoral collaboration is vital in capturing data value. OICC is actively doing this through its urban insights data lab.

How to develop city-region innovation ecosystems?

Key learnings

01

Co-creation strategies: The joint creation of a strategy, present in the Bilbao sharing, allows the process of building it to generate connections between stakeholders and for them to take ownership of the ideas developed. The city of Bilbao is committed to the results of the bottom-up process, supporting the organization of the ecosystem and the mobilizing projects designed to leverage each dimension of smart specialization.

02

Leadership commitment: Cities' innovation and economic and social development strategies require long periods of investment, without which the intended impact will not occur. The case of Fundão demonstrates that a strategic vision, aligned with strong political leadership and a capable team, generates above-average results over a sufficient period of time.

03

Use of European funds in the development of innovation ecosystems: Bilbao and Fundão demonstrated the virtue of mobilizing European funds in implementing their innovation strategies. There are several European funding opportunities that can support, whether projects promoted by cities, universities and research institutes, civil society organizations and even companies. One of the values of collaborative work in the development of the ecosystem is the ability of several agents to contribute together to their mission, to achieve a shared vision of innovation and progress.

Learn more with Bilbao & Fundão!

Bilbao and Fundão are two references on the topic of city-region innovation ecosystems. Their successful experiences are an inspiration for other European cities:

➔ **Bilbao** is a key player in the context of the Basque Country innovation ecosystem, one of the most advanced regions on innovation and economic development.

Learn more about combining innovation regional strategy with collaboration governance with Bilbao.

➔ **Fundão** is a reference on the context of the European small cities that are stopping shrinkage.

Learn more about city innovation plan for talent attraction/retention and integration with Fundão.

Both cities are great potential partners on collaborative European projects focused on innovation ecosystems. They have a past of success on these collaborations, and they are inspiring examples to future partners. Exchange with them with the [City-to-City Exchange](#) program!

How to run a testbed?

Key learnings from Oulu and Kuopio

01

Role of Test Beds in Innovation Ecosystems: Test Beds are critical assets in innovation ecosystems, from small scale test beds for local businesses to larger scale integrated models that act as authentic co-creation environments where diverse stakeholders collaborate on real-world solutions.

02

Strategic Foresight: Ensuring close connectivity with the wider city vision, incorporating strategic foresight and resilience planning into innovation projects ensures they address relevant long-term urban development and sustainability challenges.

03

Clear Governance Structure: A well-defined governance structure, coordinated under key city officials (e.g., Mayor, Chief Innovation Officer), is crucial for the efficient operation of testbeds.

04

Ecosystem Integration: Scaling smaller testbed models and integrating them within larger innovation ecosystems at local or even national and international levels enhances visibility and collaboration opportunities, leading to broader impacts.

05

Impact Measurement: Regular assessment of the results and impacts of innovation projects contributes to urban sustainability and helps in fine-tuning strategies for better outcomes. Monitoring, evaluation and feedback loops are critical to continuous improvement and ensuring an agile and fit for purpose model.

Learn more with Oulu & Kuopio!

The workshop highlighted the importance of structured, collaborative, and strategic approaches to managing governance and innovation ecosystems through the example of test beds. By following tried and tested methods and avoiding common pitfalls, cities can create effective environments that foster innovation and address real-world challenges, contributing to sustainable urban development.

The EUI [City-to-City Exchange](#) programme provides a simple and accessible pathway to support cities on that journey. It covers travel and accommodation costs and provides an expert facilitator to support a learning and exchange visit between cities on a specific topic related to sustainable urban development such as this one. Check it out and **do an exchange with Kuopio and/or Oulu!**

How an innovation strategy of a small city is transforming an entire region

Key learnings from Fundão, the Smart Rural City

- 01** Fundão's innovation strategy was created in 2012 and still guides the city's management today. **The strategy is a long-term instrument**, which Fundão knew how to use to transform its territory.
- 02** **The reskilling programs**, in Fundão the Code Academy, dedicated to creating programming skills, allows for the creation of new job opportunities for local citizens, and at the same time supports companies in the search for talent.
- 03** **Having strong leadership and a team made up of talented and committed people**, supported by leadership, was fundamental to Fundão's success. Human resources are magnets for good results, and cities must be active agents in attracting talent to their teams and mission.
- 04** **Fundão's culture of permanent experimentation** and involvement of different organisations and companies makes its innovation ecosystem more vibrant and attractive to entrepreneurs and investors.

Learn more with Fundão!

Fundão is an excellent case study of a small European city, which halted population loss through an unequivocal commitment to innovation.

Fundão is an excellent partner for cities that wish to exchange experiences in the context of technology in cities and the culture of experimentation, in attracting investment and talent, in developing new profiles of people's professional skills and also in integrating immigrants into the community.

If you want to connect with Fundão a EUI City-to-City Exchange around Digital Twins, they are keen to be peers!

03

Innovation Ecosystems for Climate Actions

WHAT ROLES CAN INNOVATION ECOSYSTEMS PLAY IN CLIMATE ACTIONS?

Innovation ecosystems deploying a climate lens demonstrated the power to promote change:

- **Identify areas with strong potential** for green transition where practise can be influenced. Data can help to focus where efforts can have most impact.
- **Celebrate innovation heroes** and change makers making a difference on the ground.
- **Co create a Climate City Contract** to engage and drive commitments from businesses and citizens.
- **Take the role of enabler**, mediator, motivator as a city.
- **Connect the actions of communities and businesses** to the city strategy and indicators such as CO2 reduction.



Using value chain innovation to speed up climate transition

Do's and don'ts from Helsingborg

Do's

- ✓ **Empower “innovation heroes” everywhere.**
- ✓ **Set mutual clear goals at every level** and find arenas for stakeholders to collaborate.
- ✓ **Invest in engagement:** We need inspiring leaders to move things forward.
- ✓ **Use data to** estimate where efforts can be best leveraged by different tools and approaches. In Helsingborg, around 30% of the costs of climate neutrality need to be covered by private investment.
- ✓ **Get CEO-level and political leaders on board** (with opposition) for holistic and long-term missions like climate neutrality.
- ✓ **Consider citizens as “validators” of innovations** aimed at more sustainable urban life styles.

Don'ts

- ✗ **Spend more time than needed analysing the “why.** Transformative innovations is the “how” we need to focus on, while innovation ecosystems help to answer the “who”.
- ✗ **Allow Business-as-Usual** – in Helsingborg the parties to the Helsingborg Declaration start to recognise that they do Business-NOT-as-usual.
- ✗ **Only focus locally** – national and multi-national players are important for innovation ecosystems to thrive.

Learn more with Helsingborg!

The [Helsingborg Declaration](#) showcased a concerted effort by the city to foster innovation in the logistics value chain. Through this work, the need for new innovation pathways and businesses cases have been revealed. In Helsingborg's Climate City Contract, 1600 initiatives that need new businesses cases were identified.

One challenge in this regard is the demanding role for the city to be the mediator in a platform or innovation ecosystem.

Helsingborg is keen to continue exchanging with European cities as peers in the [EUI City-to-City Exchange](#) programme around these questions.

How to deliver a local Green Deal?

Do's and don'ts from Mannheim

Do's

- ✓ **As the enabler, “invite yourself” everywhere** and always be on the run. Mannheim city council has invested in human resources to activate the urban community and make the Local Green Deals happen.
- ✓ **Let the deal owners focus on implementing their actions**, and work to make the connections to the city strategy and KPIs (e.g. CO2 emissions reductions) by consulting with the municipal departments.
- ✓ **Use online collaborative spaces** to gather and update information from stakeholders.

Don'ts

- ✗ **Take credit as the city:** Let the deals be fully owned by the stakeholders and refer to their successes.
- ✗ **Leave anyone behind:** Be active in all sectors of society and help those who may need extra empowerment.

Learn more with Mannheim!

The [Mannheim](#) Deep Dive highlighted the power of mobilising the urban community around the green transition.

The biggest challenges ahead for the team is to raise awareness among the population to change behavior, activate private investment, and the time pressure due to the progression of climate change.

The team is keen to continue exchanging and share the Mannheim [iDeal](#) experience through an EUI [City-to-City Exchange](#) programme around these questions.

03 Innovation Ecosystems for Digital Transition

WHAT ROLE(S) INNOVATION ECOSYSTEMS PLAY IN DIGITAL TRANSITION?

Innovation ecosystems focused on digital transition shared several cross-cutting insights:

- Digital tools can improve data, and simulation to **better forecast and manage the city** and engage the community in planning.
- **Involvement of stakeholders**, customers, transport users eg via citizen science and idea generation helps to gather richer data.
- **Leveraging EU funds and networks** can underpin digital knowledge and transformation.
- Investment is needed in **people, skills development and spaces** such as Hubs and Fab Labs to foster the digital ecosystem.



Enhancing the accessibility and value of data with Digital Twins

Do's and don'ts from Tallinn

Do's

- ✓ **Adopt an ecosystem approach to developing Digital Twins**, rather than simply thinking about a software product and 3D models.
- ✓ **Consider the social return on investment.**
- ✓ **Invest in data accuracy.**
- ✓ **Look for new partners and ways to get data** - from partnering with public transport providers to providing incentives for citizens to report data.

Don'ts

- X **React to problems that could have been prevented** - use Digital Twin technology for predictive maintenance.
- X **Forget about data security.** Not all the data of a Digital Twin should be open to anyone, since this could have severe geopolitical consequences. Collaboration with national security is essential.
- X **Act alone** - connect with the international community. Innovation can be accelerated and pitfalls avoided by learning from others.

Learn more with Tallinn!

The Tallinn case study and workshop highlighted the need to collaborate across sectors and fields of impact to make the most out of Digital Twin technology.

In this emerging field, international exchanges are valuable to learn about a variety of use cases. Tallinn is hosting a yearly international event, this year on the 12th of September 2024, to share their latest progress and open new collaborations (link to be shared next week).

If you want to connect with Tallinn through a EU City-to-City Exchange around Digital Twins, they are keen to be peers!

Developing a local ecosystem for digital transition

Key learnings from Bielsko-Biała

01

Strategic Use of EU Cooperation over time

- Bielsko-Biała successfully leveraged EU co-operation with the support of European Territorial Cooperation programmes.
- Small steps lead to big changes.
- Integrating local efforts with international collaborations broadens the scope of possibilities.

02

Importance of Ecosystem Building

- Human resources, including skills development and stakeholder engagement, are critical.
- The creation of innovation hubs and FabLabs has been instrumental in fostering an innovation ecosystem.
- Collaboration has strengthened the region's capacity for innovation, contributed to a shared regional vision and enabled the attraction of large scale investment.
- Neutral orchestration of ecosystems is critical.

03

Role of Public-Private Partnerships

- Effective public-private partnerships are crucial.
- Engaging both public and private stakeholders has enabled a more comprehensive approach.

04

Adaptation and Flexibility

- The journey of digital transformation requires continuous adaptation and flexibility.
- Success depends on the ability to pivot and evolve strategies based on emerging needs and technologies.

Learn more with Bielsko-Biała!

The [case study](#) highlighted the value of collaborating across borders and harnessing EU added value to build and sustain effective digital innovation ecosystems.

The shared experiences and insights from this workshop provide valuable guidance for other regions aiming to develop their innovation ecosystems but direct contact with the case study itself can provide invaluable hands on insights.

We encourage participants and readers to consider harnessing EU added value by participating in EU exchange programmes. The EUI [City-to-City Exchange](#) call provides the ideal 'easy entry' point for cities wishing to learn directly from other cities across Europe.

05

Governance in
Innovation Ecosystems

GOVERNANCE MODELS FOR INNOVATION ECOSYSTEMS

Cross-cutting insights on building a sound and efficient governance model for innovation ecosystems are:

- **A strategic approach** to funding and investment with participatory and diagnostic approaches underpins success.
- **Awareness raising** of opportunities for funding, but also opportunities to network, learn and innovate are part of building the capacity of municipal staff and stakeholders.
- New models for innovation governance can be **co created together with regional and urban actors**. This can include different thematic working groups, clusters and activities based on local sector strengths.
- Innovation can be encouraged **at all levels, in cities of different sizes and historical contexts**.



Building your funding strategy: a participatory approach to territorial diagnostics and opportunity mapping

Key learnings from Schaerbeek

- 01 Awareness Raising** to improve the understanding of, and help disseminating information about funding opportunities.
- 02 Network Building and Visibility** to build and foster connections between Schaerbeek and European partners.
- 03 Strategic monitoring** to keep track of funding opportunities while ensuring alignment with the local and European priorities.
- 04 Capacity-building of city officers**, an essential component to successfully implement the strategy and secure funding in the short to longer term.

Learn more with Schaerbeek!

Schaerbeek's experience emphasised the value of a participatory approach and well-coordinated strategy development process, continuous stakeholder engagement, and investment in resources and capacity-building to ensure buy-in and uptake.

If you want to exchange and benefit from their experience, the EUI City-to-City Exchange programme provides a great opportunity to do so.

Collaborative Governance for Knowledge-Intensive Business Services Competitiveness

Key learnings from Bilbao

01 **A new model of relations between triple helix actors**, enabling the co-design of efficient policies for Bilbao's competitiveness through shared vision and leadership. Bilbao's collaborative governance model combines the creation of thematic working groups with a global Forum. The working groups gather, diagnose and outline ideas for the future. The Forum creates a temporal target and makes working groups responsible for creating value in a specific period of time.

02 The definition of an innovation and economic development strategy, the definition of the role of different agents in the city and the region, and the collaboration model **are interconnected lessons learned from the Bilbao case study.**

Taking into account the intelligent specialisation of an ecosystem, which combines the critical dimension of different clusters and also the associated scientific capabilities, is essential. Within a regional innovation ecosystem, there are several niches that cities can lead and mobilise their economic agents. In the case of Bilbao, the city's dynamization of Advanced Business Services, which are part of the Smart Industry cluster, is an example of a strategy with an impact on the ecosystem, and of the city's role in the triple helix.

Learn more with Bilbao!

Bilbao is an excellent case study in different dimensions. It is a model as an innovation ecosystem. It is also an example in the area of creative industries. It is an example of collaboration models between different ecosystem agents.

Collaborating with Bilbao is having the opportunity to access a lot of knowledge and many good practices that have proven over time to result in accelerated social and economic progress.

As the city of Bilbao has strong experience in several European financing programs, being a partner with this city also means benefiting from this specific knowledge.

Developing an investment strategy in micro-cities

Key learnings from Ventspils and Valmiera

The success of Ventspils and Valmiera strategies lies in their ability to encourage innovation at all levels and turn their weakness into strength. For instance, the **deficit of workforce** has been a trigger for innovation in businesses to find new solutions to the issue.

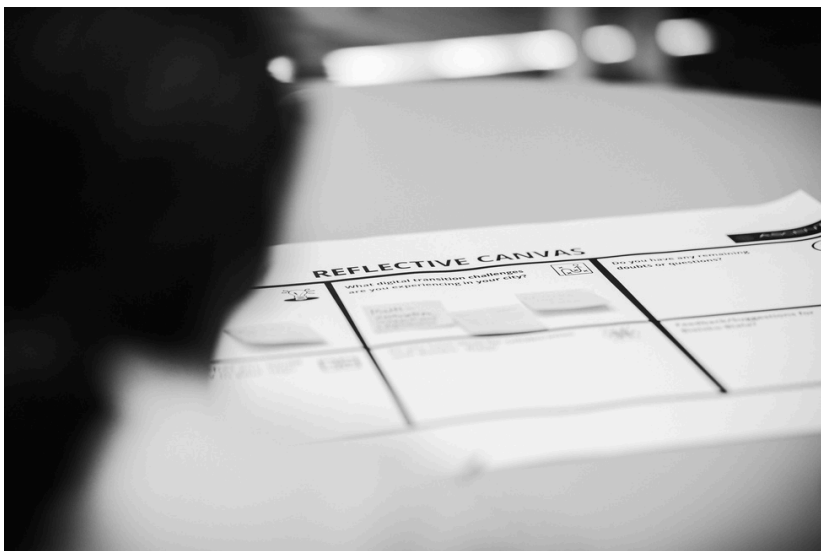
Collaborative efforts for instance to leverage EU funding together, or in the ACORN project, have amplified their success.

By sharing good practices, resources, and expertise, these two cities have created a positive dynamic for investment and innovation in their microcities.

Both cities highlighted the **strengths of smaller cities** compared to larger ones, in particular:

- Their open-mindedness, flexibility and speed in answering requests from investors and businesses.
- Their capacity to build relationships and trust by providing personalised support services to investors, with quick access to infrastructure and facilities, including simplified administrative procedures, and support services.
- The ease for investors and businesses to navigate and use the local ecosystems. Smaller cities can provide a clear picture of what is there and available to them.
- The importance of reflecting all these strengths in the FDI strategy and supporting marketing to investors.

06 Conclusions



WHAT DID WE LEARN FROM THIS EXPERIENCE?

As part of the event wrap up collective and individual learning was captured in final reflections. In addition to concrete ideas picked up through the EU city cases, for many participants there was an emphasis on continuous investment in cooperation across sectors and with communities. The local dimension of sustainability is key, and this means connecting strategies across all levels of governance, undertaking diagnostic and participatory activities to customise and embed actions for real impact.

The final session of the event was around resourcing actions to drive sustainability with pitches from relevant EU funding programmes (EUI, Horizon Europe, NetZeroCities, Interreg Europe, Urbact and FinEst Centre). Opportunities for implementing learning and action through both funds and knowledge resources are ongoing and up to date information is available on the Urban Panorama.

The European Urban Initiative funds [City-to-City Exchanges](#), [Peer Reviews](#) and [Innovative Actions](#). It also hosts Portico, with information on good practices, partners and other EU funds. Finnish city participants are now better placed to use EU instruments to boost regional development

The **URBACT** Call for Good Practices and the **FinEst** Smart City Challenge were open until the end of June 2024. Helsingborg invited all participants to its Innovation Impact Summit on September 17-18th and all participants were encouraged to create Portico profiles, to connect and continue to build future cooperations.