Finland: The Six City Strategy

Background Information

The Six City Strategy – Open and Smart Services is a strategy for sustainable urban development carried out by the six largest cities in Finland: Helsinki, Espoo, Vantaa, Tampere, Turku and Oulu. The strategy is nationally very significant: the participating cities are home to some 30% of Finland's population. The primary objective of the strategy is to strengthen Finland's competitiveness by using the country's six largest cities as innovation development and experimentation environments, with the aim of creating new know-how, business and jobs. Together, these regions are large enough to serve as a world-class reference site. In addition to this, the strategy improves the cities' service processes and their functionality across municipal borders. The new operating models developed as part of the strategy are made available to all cities and municipalities, thus increasing the productivity of the public sector in the participating cities and across the entire country.

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.

The Six City Strategy has three focus areas: open innovation platforms, open data and interfaces, and open participation and customership. The three-year spearhead projects link to each of these focus areas and involve all the six cities:

Making our data your business

Opening up public data has the potential to offer fuel for companies to make money with new apps and services. The six cities are committed not only to opening up their data but also to encouraging its commercial use. The cities have harmonized the ways their data is opened and released. Several joint recommendations have been published to steer this work. There has also been significant efforts to harmonize the open APIs releasing the data. The vision is to help companies scale up their business to all six cities at once.

Testing in real-life

The six cities have also pushed forward a network of pilot environments, which include both physical spaces and virtual ones. These innovation communities/platforms ae test-beds for companies, academia and other actors to run their research, product development and innovation in real-life settings. One example is **Iso Omena Service Centre**, which functions as an open innovation platform. This means that the development of the Service Centre has been opened to external developers, such as companies, communities, institutes and municipal residents, and the goal is for the cooperation to benefit everyone involved.

The Open Innovation Platforms Handbook defines the concept of 'innovation platform' and the role of platforms as a tool of urban development.

Reforming city services

In order to keep the public service offering competitive, it's vital for cities to develop and innovate new services in co-operation with the customers. In the city context, this means not only private people but also companies. With a customer and end-user approach, cities gain hands-on knowledge on how to improve their customer service and processes. One example of this was the **Artificial intelligence trial** of the City of Espoo and Tieto Corporation. The trial combined the City of Espoo's social and healthcare data and early childhood education data from 2002–2016. The data mass was analysed and distributed by artificial intelligence. The aim was to find new preventive methods to allocate services to city residents, for example to prevent social exclusion.

The six cities are also working towards shared ways of offering customer service. For companies, this would mean a potential to scale up to a larger market. In the long run, the cities work towards reforming their public service structure, as well as a new mindset when offering customer service to city residents.

In addition to the spearhead projects, the strategy is implemented with pilot and trial projects. The current pilot project portfolio ranges from smart mobility, circular economy, health and well-being and game industry to the education sector and several employment projects.

Art.7 design and implementation in Finland

In accordance with art. 7, 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. The programme is based on smart specialisation.

The national body in charge of art. 7 is the Ministry of Economic Affairs and Employment. The overall budget allocated 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 by the six city regional councils).

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.

Roles and responsibilities of different agencies

The Six City Strategy operating model is supported through operational management, steering and coordination, the tasks of which 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 and 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 of which the measures implemented under it may concern any of the cities' administrative branches and their individual fields of operation.

Smart specialisation

In Finland, the RIS3 approach is embedded in the regional strategic programmes which are overseen by the Regional Councils. Some of the six city regions also have separate smart specialisation strategies, e.g. the Helsinki-Uusimaa Region has their own Research and Innovation Strategy for Regional Development 2014-2020. The innovation strategies of the cities themselves are also mostly based on smart specialisation priorities and hence complement the regional RIS3.

The Six City Strategy brings together the focus areas from the regions' smart specialisation strategies. Partly the strategies' priorities and objectives are the same and partly complementary which brings more synergy advantages to the cooperation. The key elements of smart specialisation in the Six City Strategy are:

- Collective learning
- Involvement of stakeholders
- Entrepreneurial discovery process (EDP)
- Open innovation models
- Quadruple helix approach

Description of implemented actions

Six City Strategy projects are implemented by the six cities, R&D organisations and the third sector. The main target groups of the projects are companies and R&D organisations. Citizens are direct target groups only in ESF funded projects. These target groups among with other stakeholders get the chance to influence the implementation of the strategy in the open idea generation phases.

The implementation of the strategy started in 2014. During the first three years of strategy implementation several calls for project proposals have been organised (four ERDF calls and three ESF calls). At the moment there are almost 30 pilot projects ongoing and in total more than 300 people working on the projects. The main focus for the coming years is on collecting and disseminating the solutions and good practices developed in Six City Strategy projects.

First results and findings of the strategy implementation

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.