



# WIRE 2015

WEEK OF INNOVATIVE REGIONS IN EUROPE 2015

RIGA, 4 – 5 JUNE



## Keynote speech

# Markku Markkula

## President of the European Committee of the Regions

[www.cor.europa.eu](http://www.cor.europa.eu)

[@EU\\_CoR\\_President](https://twitter.com/EU_CoR_President)

[@mmarkkula](https://twitter.com/mmarkkula)

[markku.markkula@cor.europa.eu](mailto:markku.markkula@cor.europa.eu)



EU2015.LV

Latvian Presidency  
of the Council of the  
European Union



Eiropas  
Komisija



Valsts izglītības attīstības aģentūra

# CoR Plenary 4 June 2015

## Juncker & Markkula dialogue:

- **Social dimension and societal responsibility is high on the Commission priorities**
- **Investment package needs new soft innovative dimension**
- **CoR's action plan with the EIB and DG Regio has a crucial role with a strong integration on smart specialisation**
- **Regions and cities should be the drivers of change through their new active role**
- **The Commission waits the CoR to deliver new societal innovation openings**
- **Several structural and process instruments were highlighted: structured territorial dialogue & bottom-up movement**



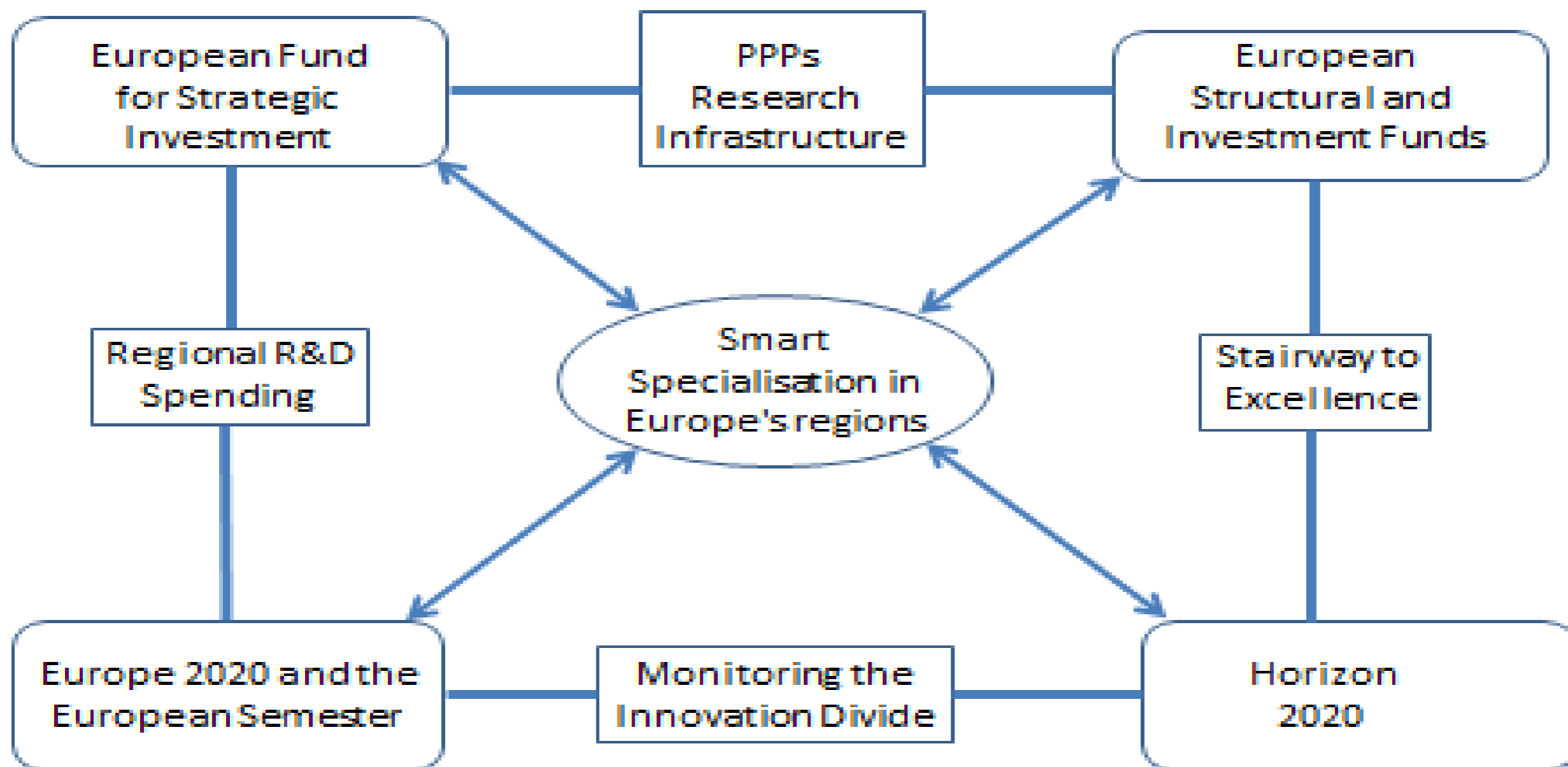
# CoR Priorities 2015-2020

A bottom-up movement is needed to stimulate targeted investment into the real economy and trigger an exchange of best practice. A new entrepreneurial spirit combined with a functioning Digital Single Market and Smart Specialisation could lead to new skills and knowledge, innovation and employment:

- **Boosting entrepreneurial spirit.**
- **Creating the right conditions for digital networks and services to flourish.**
- **Maximising the growth potential of the digital economy.**
- **Boosting the research and innovation capacity of the regions and bridging the digital and innovation divide between them.**
- **Making the best use of KICs and KETs as a means to being at the forefront of managing the shift to a low carbon and knowledge-based economy.**
- **Stimulating leading interregional networks such as the Vanguard initiative that has put the industrial renaissance at the core of their S3-activities.**
- **Supporting the increase of innovative e-government.**
- **Removing key differences between the online and offline worlds.**
- **Strengthening the Urban Agenda.**

This is part of the resolution approved by the CoR Plenary 4 June 2015

## European Policy Frame: Smart Specialisation in the Regions Driving the Change





## Three Principles to make RIS3 a Success

1) **RIS3** is above all a process - **an economic transformation process** using innovations for the wellbeing of a region.

→ This means high priority actions focus on a few crucial political and industrial business areas defined by regional decision makers.

2) Political decision makers need to start thinking about their **region** from the perspective of **becoming innovation ecosystems** built on strengthening human capital.

→ The key success factor is a positive attitude towards curiosity, creativity, entrepreneurship and knowledge sharing based on the principles of open innovation.

3) **Pioneering regions** open new avenues for European success in RIS3 policy develop their collaboration mentality and working culture based on crossing boundaries and **creating European partnerships** through the help of **new digitalised open innovation platforms** and processes.

→ These platforms consist of several parallel physical and virtual elements forming processes for a strong co-creation culture.



## Markkula: Some WIRE2012 highlights which I take to CoR

1. Encourage change → Focus on concentration & cooperation & connection;
2. Innovation will be at the hearth of European policy → Innovation needs to be at the centre of regional policy making and in public investments (especially public procurement);
3. Horizon 2020 means more innovations out of research → Horizon 2020 needs to include a strong regional dimension and this needs to be integrated to cohesion policy instruments in developing a stairway to excellence through capacity building and creating vibrant environments for innovation;
4. Member States and Regions need to focus on new innovative openings → Regions must present a robust clear innovation strategy based on Smart Specialisation;
5. Societal challenges involve public sector in a new way → Increased focus on demonstration, prototyping, as well as implementing and scaling up societal innovations. This means taking to use new concepts, such as Living Labs.



**Open Innovation 2.0**

Sustainable Economy & Society -  
*Stability. Jobs. Prosperity.*

Dublin, Ireland  
May 20-21 2013



## **Dublin Declaration – Open Innovation 2.0 / 20-21 May 2013**

**Vision: Open Innovation 2.0 – The next new Official Language of the European Union**

Actions:

No 1: Develop a new business model for the European Union

No 2: Design for a new end state

No 3: Create an EU Innovation Strategy

No 4: Move from European Research Area to European Innovation Ecosystem

No 5: Create a European Innovation System and Capability

No 6: Quadruple Helix Innovation

No 7: Focus on Innovation – *Adoption Matters*

**No 8: Create incentives to encourage Openness to Innovation and Experimentation**

No 9: Stimulate High Expectation Entrepreneurship

No 10: Drive Intersectional Innovation

No 11: Promote Successful Innovators and entrepreneurs as Hero's

# **Regional Information Modeling in Urban Planning for the Built Environment**

**We have these:**

- 1. Scientific breakthroughs**
- 2. Application breakthroughs**

**We need these:**

- 3. Breakthrough in mindsets**
- 4. Breakthroughs in art & design**
- 5. Breakthroughs in business models**





## My Message to WIRE

The city decision-makers must address urban development challenges as a mutually complementing integrated system of urban infrastructures, socioeconomic objectives, enabling technologies and facilitating mechanisms. Different stakeholder groups are integrated in different ways.

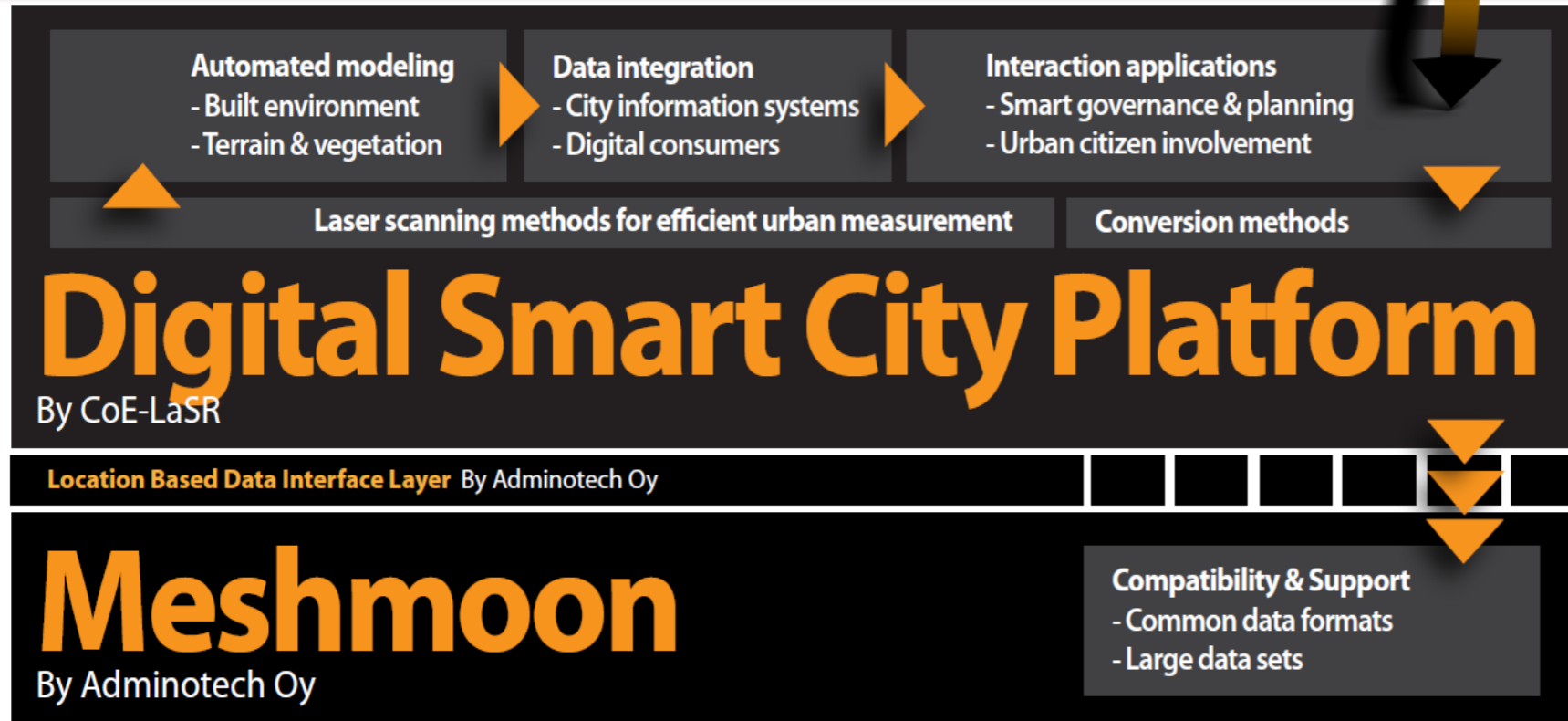
We describe this **as a smart urban design process with a strong human focus**. This can be portrayed **as a layered structure of built and natural environments, integrating physical and virtual platforms, human-centric applications and user-driven collaborative processes**, which constitute the emerging socioeconomic system. This 'design' should and could be improved with digital means and with enabling digital technologies.

All European major cities are Smart Cities. What next?

CoR stressed already in 2011 the importance of REGIONAL INFORMATION MODELLING.



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We have processed this further in the Energizing Urban Ecosystems / research program, 4 years, 20 m€

The Finnish Urban Dimension in ERDF & ESF:  
Six major cities use €100M in operationalizing

# Open Innovation Platforms, Open Data and Interfaces, and Open Participation

- An open innovation platform consists of **infrastructure, physical and virtual elements, productized processes** and community members that form a strong value added environment.
- Offer a structured platform for digitalization of municipality services, **involve the companies and community members** in creating new innovative ways to implement services and thus utilize all available local resources.
- The role of the city will **evolve from service provider to service creation enabler.**
- Utilizing concept models and processes is in the core of development. This will in turn enable the **scalability and multiplication of the benefits** compared to independent platforms.

# Open & Agile Smart Cities: 31 cities, 7 countries – and growing

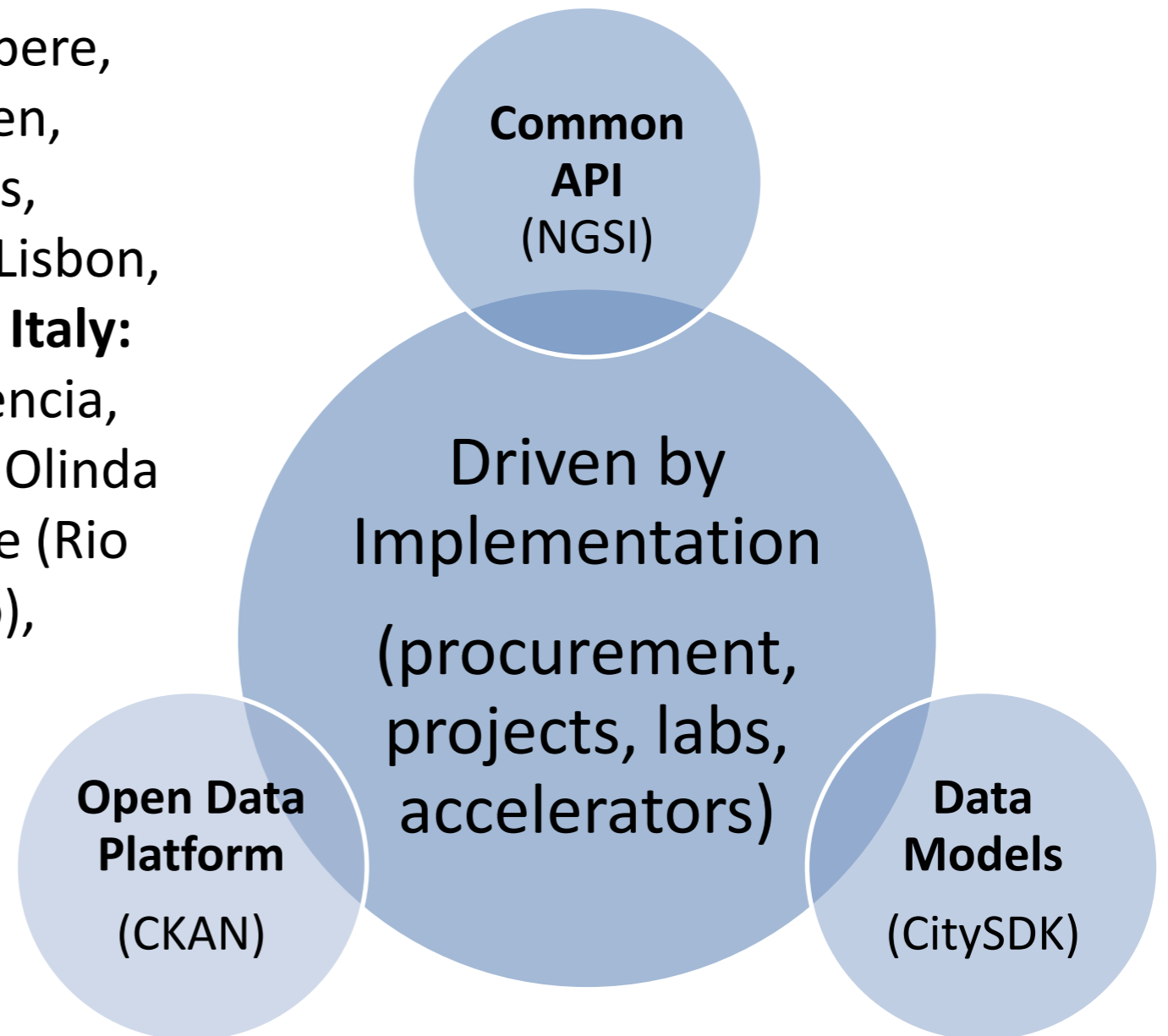
**Finland:** Helsinki, Espoo, Vantaa, Tampere, Oulu and Turku. **Denmark:** Copenhagen, Aarhus and Aalborg. **Belgium:** Brussels, Ghent and Antwerp. **Portugal:** Porto, Lisbon, Fundão, Palmela, Penela and Águeda. **Italy:** Milan, Palermo and Lecce. **Spain:** Valencia, Santander, Málaga and Sevilla. **Brazil:** Olinda (Recife), Anapólis (Goiás), Porto Alegre (Rio Grande do Sul), Vitória (Espírito Santo), Colinas de Tocantins (Tocantins) and Taquaritinga (São Paulo)

## Waves

1<sup>st</sup>: March 2015

2<sup>nd</sup>: September 2015 (NL, UK...)

3<sup>rd</sup>: November 2015

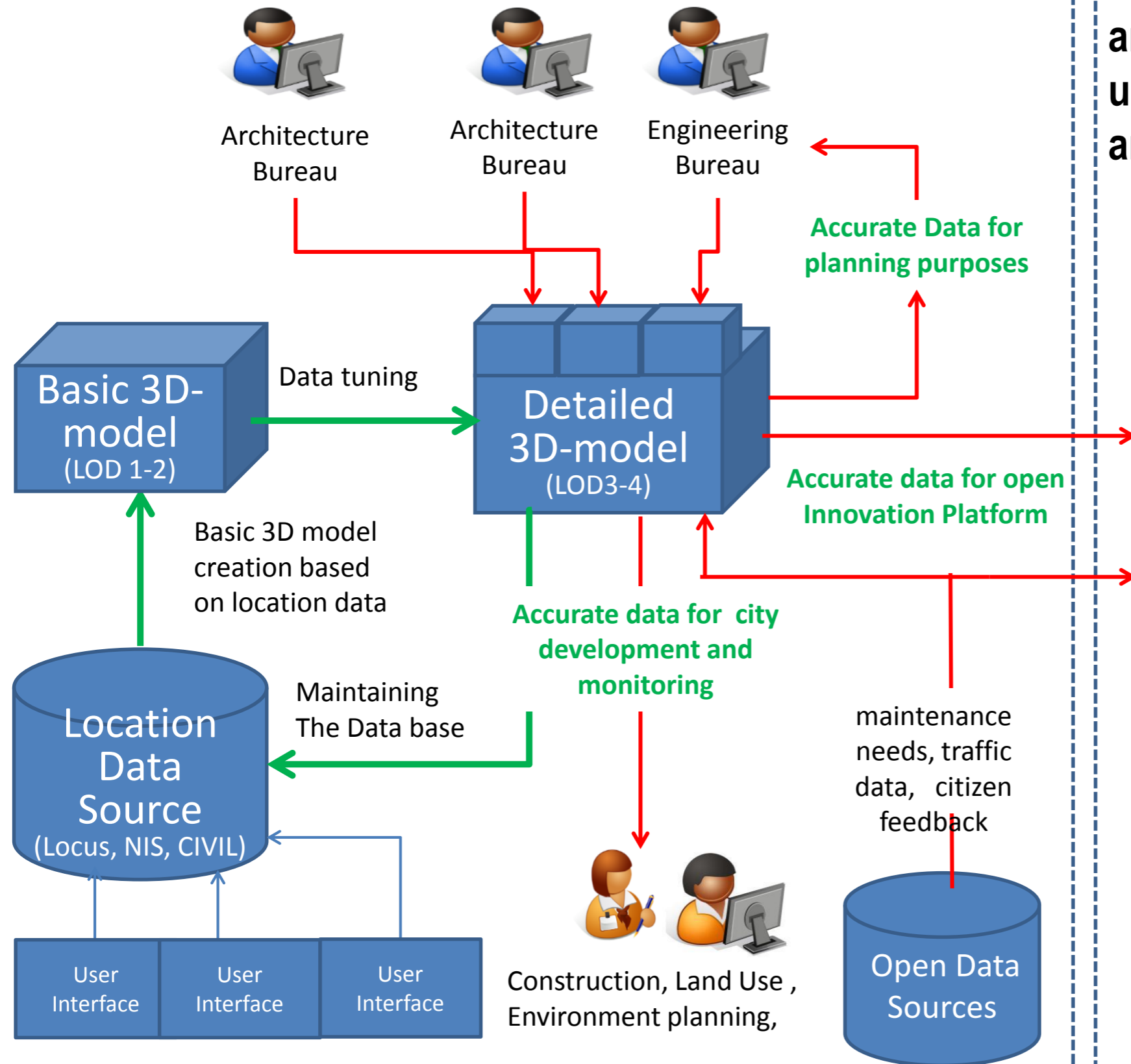


# Open & Agile Smart Cities: Creating the Smart City Market

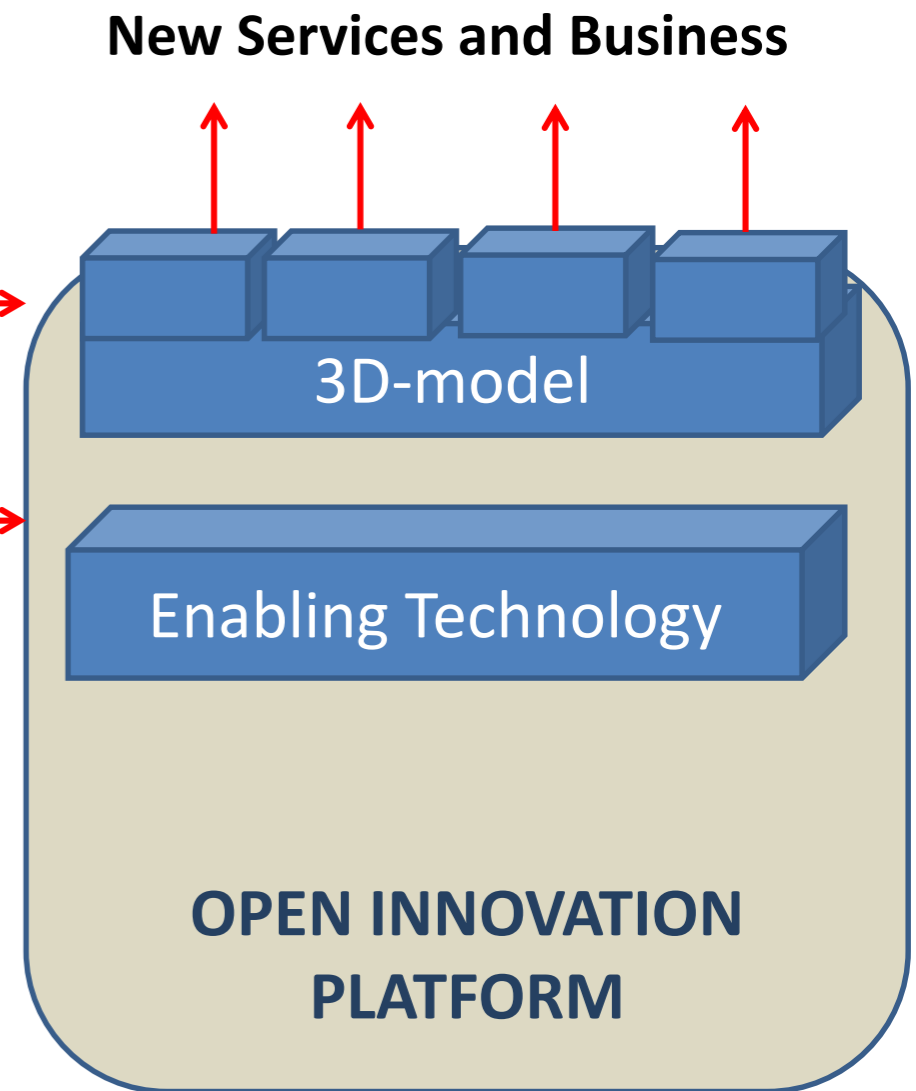
- OASC supports the **digital transition** of European cities and communities into platforms, enabling development of **demand-driven** innovative technologies and services.
- Urban and regional development is a **key asset for Europe**, and increasingly relying on **digital innovation**.
- Cities need interoperability and standards to **boost competitiveness** by **avoiding vendor lock-in**, comparability to benchmark performance, and easy sharing of **best practices**.
- No single solution has emerged to substitute the many 100s of legacy IT systems that exist in any city. OASC is a **light-weight, non-exclusive**, but still **effective and exponentially scalable** way to provide interoperability.
- OASC supports solutions that can be implemented with respect for **local practices and job creation**.

# 3D – Virtual City Development Platform

## 3D role in Urban Planning - City of Oulu



## 3D as a new business creation and innovation platform - universities and business community



# Open & Agile Smart Cities: Supports Digital Single Market

Digital Single Market (DSM)	Open & Agile Smart Cities (OASC)
DSM supports the <b>interoperability</b> of new technologies: The Free Flow of Data initiative	OASC promotes interoperability of systems between cities, and within cities, by adopting a shared set of wide-spread, open standards and principles
The digital economy can <b>expand markets</b> and foster better services at better prices, offer more choice and create <b>new sources of employment</b> .	OASC supports the development of demand-driven innovative technologies and services by transforming European cities and society into digital platforms.
Industry stakeholders decide 'bottom-up' in which areas to develop standards and this is increasingly taking place outside of Europe, undermining our <b>long-term competitiveness</b> .	Being demand-driven, OASC boosts the necessary development of open standards, avoiding vendor lock-in and monopolisation.
A completed Digital Single Market will help companies to <b>grow beyond the EU</b> internal market	OASC supports the growth of European companies beyond the EU internal market through interconnecting national networks of cities on a global level.

# EUE / City Perspective

Digitalization enables:

- Productivity & savings in key processes
- New service processes
- New business innovations

Strategy



Plan & Design



City urban planning:  
**New plans are tested in the City Model** (noise, energy, safety...), offering open access also to the public.

Building permits:  
Applications are received as pieces of model. **City officials process the application in "virtual city"**



Construction



**Internet of Things:**  
Sensored streets, bridges, traffic signs, cables know their condition and location

**Open City Model** eventually replaces old 2D maps, offers a virtual map for new applications such as autonomous cars, citizen participation etc.,

Use

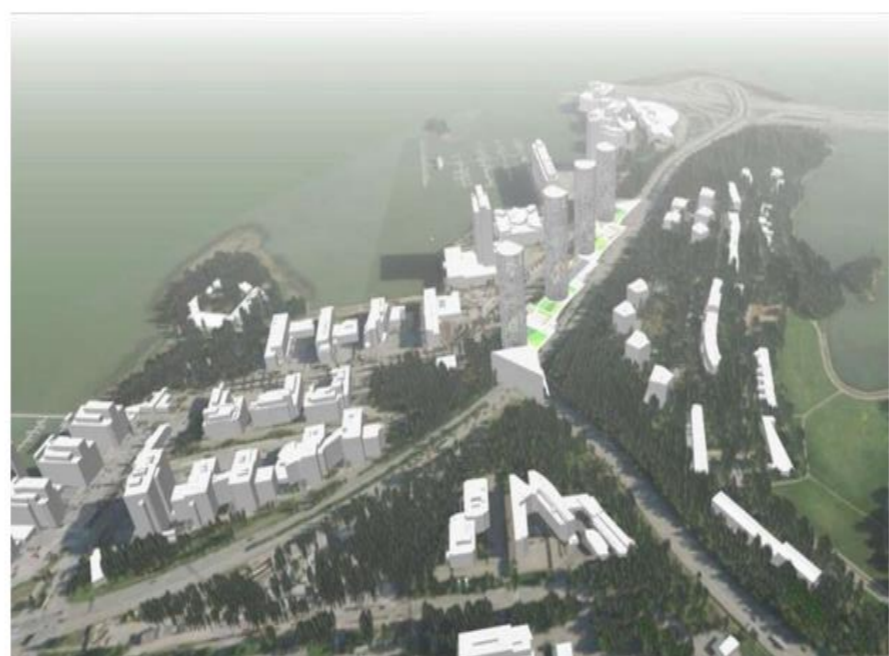
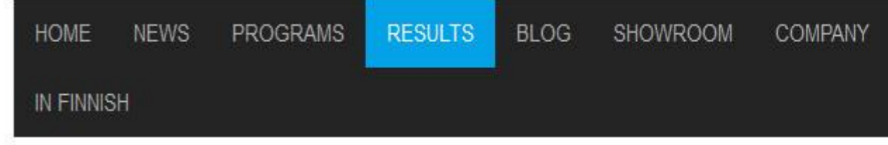
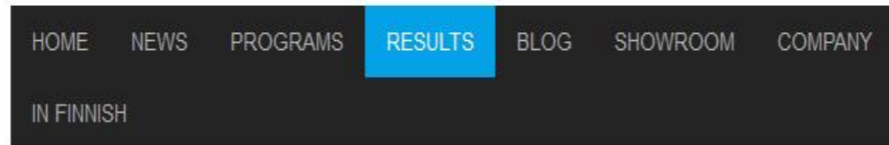
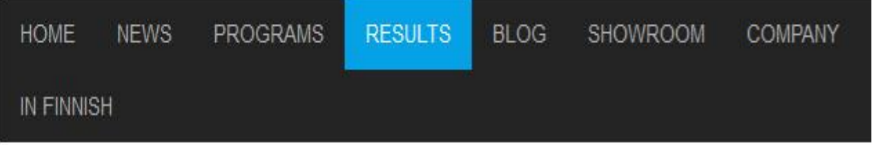


Maintenance





# How to Increase Renewal Capital?



## Meshmoon virtual environment in Innovation Union 2013 Conference

Posted on 2014-01-31 by Hannu Hyyppä

During the Innovation Union 2013 Conference, organized by the Committee of the Regions, the Meshmoon virtual environment was used to collect and cluster ideas, make them visible and provide input to the Closing Session. The facilitation platform developed supported several groups working simultaneously on the virtual canvas.

## Integration of CAD/BIM -models and ALS -data in virtual world

Posted on 2014-01-31 by Hannu Hyyppä

With the workflows developed, immersive 3-dimensional virtual environments can be generated automatically from aerial laser scanning (ALS) data. Other data, like CAD/BIM-files can also be included in these virtual worlds, creating new potential for urban planning and architecture.

## Meshmoon skyrockets!

Posted on 2014-01-31 by Tommi Hollström

Meshmoon – the World’s fastest growing networked 3D –platform that enables anyone to create their own 3D-space in one minute was published during the EUE project in

RESULTS FOR EUE PROGRAM <http://rym.fi/programs-list/?p=eue&t=results>

09.02.2015  
prof. Hannu Hyyppä ja prof. Juha Hyyppä

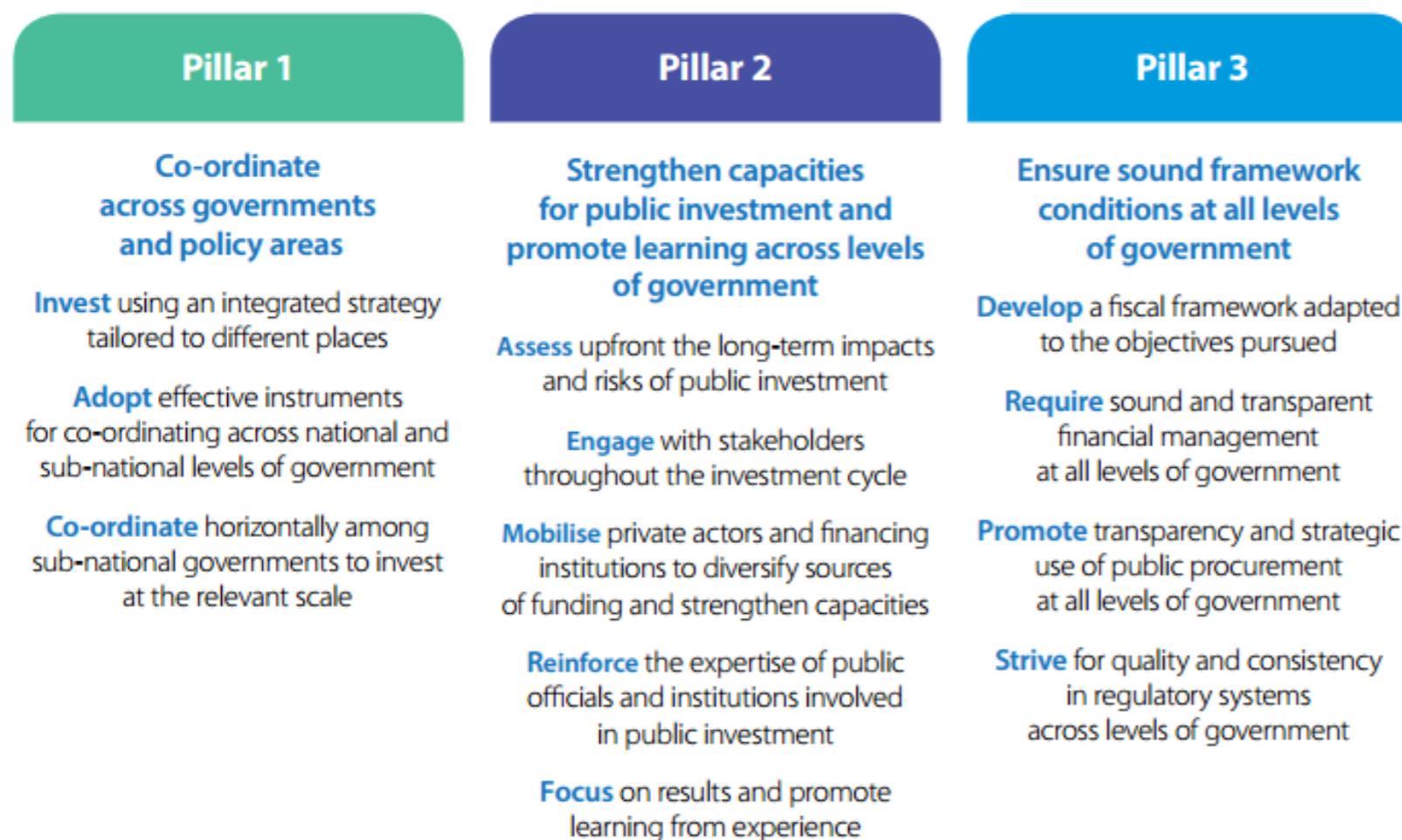


**Contact Persons**  
Tommi Hollström  
Juho-Pekka Virtanen

# Regions Must Improve Public Investment

## Principles for Action

The Principles group 12 recommendations into the 3 pillars representing systemic challenges to public investment:



The OECD recently published principles for good public investment.

The CoR has endorsed them and advocates its implementation at all levels of government.

They can also a key role in designing good public innovation strategies

## Challenge: The Diffusion of Good Practices Is Not Yet Effective!

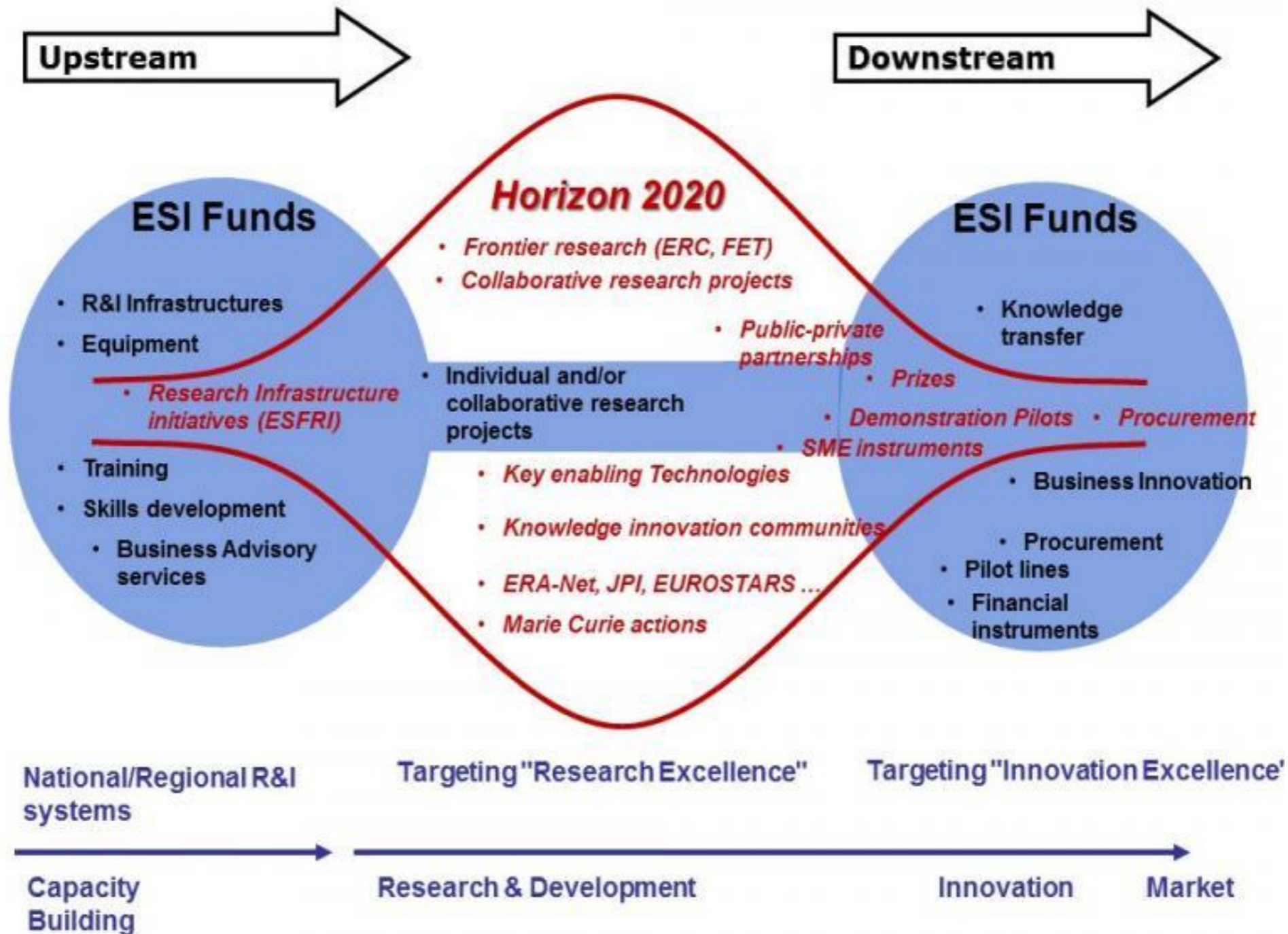


The Expert Group has identified several weak enabling factors or unfavourable framework conditions that hinder innovation throughout Europe's public sector:

- Innovation governance and public sector reform: At present, there is no systematic, EU-wide governance mechanism in place to guide and co-ordinate public sector innovation; this is accompanied by the lack of a long-term view on public sector innovation and a proliferation of disparate reform strategies;
- Diffusion and scaling up of good practices: Whereas good practice exchange across Member States is now well established and vibrant, the diffusion and scaling of successful innovative practices at the regional, national and European level is not yet effective;
- Smart regulation and responsive administrations: Diverse and unresponsive regulatory frameworks hamper experimentation and variance;
- Technology adoption: There is still a lack of awareness of the impact of technology, e.g. e-Government, social media, etc. — as a result, the utilisation of technology is not optimal;
- Innovation procurement: The potential of public procurement as a driver of innovation in public services has not yet been sufficiently utilised;
- Funding issues: Funding for internal innovation continues to be tied to departmental budgets in many instances. In addition, there is still a shortage of risk capital for external, private-sector innovators to invest in the development of innovative public sector solutions;
- Organisational learning and institutional innovation: Unfavourable conditions for organisational learning and institutional innovation persist (including human resources laws, regulations and practices) limiting flexibility, diversity, mobility, and creativity — incentives to create and implement new ideas do not exist or are not sufficient.



# HORIZON and ESIF must work hand in hand



## Proposals of the European Committee of the Regions

- **Monitoring the progress of RIS3** at local and regional level with regard to the use of the ESIF
- **Measuring the effectiveness of smart specialization strategies** in the wider concept of the “**Stairway to Excellence**” by setting the right benchmarks.
- Linking the use of the new **EFSI instrument for financing R&D infrastructure** with smart specialisation strategies at local and regional level and **Monitoring the level of public spending** for research and innovation as part of the European Semester.
- **Promoting innovation learning camps** to increase social and societal innovations and to integrate also regional and local decision makers in the innovation processes.
- Developing and establishing of a **Knowledge Exchange Platform for Regional Innovation**. The platform needs to open new instruments and ways to collaborate and use among others the knowledge outcomes of Horizon 2020



## To Conclude: My Proposal to WIRE

The potential for the WIRE outcomes is much higher than is currently being made use of. Let me conclude by openly inviting and challenging the European commission's **DG Research, DG Regio and the JRC to form a team of experts** to review the outcomes of this and previous WIRE conferences.

We need a team to answer the following questions:

- 1) **How do we encourage regions to take a pioneering role?**
- 2) **How do we make use of the experiences of RIS3 strategies and their implementation processes in increasing the renewal capital of regions and giving a special focus on the role of decision makers?**

I would also bring **3-4 experts from the CoR** to participate in this co-creation process.

Thank you very much for  
your attention!

[markku.markkula@cor.europa.eu](mailto:markku.markkula@cor.europa.eu)

