The future of research and innovation in the EU - framework programme 9

March 2018

Cities at the heart of research and innovation in the EU

EU research and innovation is crucial for a stronger and more competitive Europe. Horizon 2020 plays an essential role in promoting innovation through research based on excellence, addressing societal challenges and generating added value for European cities and other stakeholders.

With increasing urban populations and access to talent, universities, companies and infrastructure, city authorities can facilitate many of the scientific and technical activities and processes necessary to create, advance and sustain innovation. Cities are the ideal environment for innovation to grow and flourish.

Acting as open participation and collaboration platforms, making data and information available, city authorities support crowd-creation and production of ideas and solutions. They use design thinking as a methodology to put the end user at the centre of the development process. City authorities create the necessary framework and conditions but also participate in the process guaranteeing an open and egalitarian approach among stakeholders.

To maximise the potential of cities to drive innovation and deliver solutions for Europe, the EU must put cities at the heart of its research and innovation agenda by:

- ensuring an ambitious support for integrated urban solutions, i.e. involving cities as partners to make sure programme priorities are developed to match local challenges, maintaining at least the current budget and considering a dedicated mission on sustainable cities

- supporting cities as drivers of innovation, i.e. implement a new action on 'territorial connections' to develop a network of local innovation ecosystems at EU level

- strengthening capacity building activities, mutual learning exercises and peer-to-peer exchanges to ensure replicability and scaling-up of solutions in cities throughout Europe

- further reflecting local needs in the programme design, including more flexibility to adjust actions and budget in the period between project submission and grant approval and ensuring adequate urban expertise in the evaluation of proposals

An ambitious support for integrated urban solutions

Without pre-empting the outcomes of the debate on the future budget for the EU, we call for the current budget allocated to the research and innovation to be at least maintained, with 100% EU co-financing rates to increase participation of cities. City authorities must be involved in defining the next framework programme, including its priorities, to ensure it addresses new and emerging challenges in cities[1]. This will reinforce the effective territorial impact and results of the programme, its relevance for Europe's citizens as well as stimulating jobs and investments.

We welcome the Commission's thinking related to a mission-oriented approach to EU research and innovation. We see the potential benefit of a mission clearly dedicated to cities to create the sustainable cities of the future, as recognised by the UN 2030 sustainable development agenda. Being mission-oriented has the potential to favour a more integrated approach to global social and economic challenges, with the goal of cutting across different disciplines and sectors, and of employing a mix of policy measures (research and innovation but also regulatory, infrastructural and other support activities, financial and other incentives).

The 'societal challenges' pillar within Horizon 2020 is currently the main programme for cities. It contributes to integrated and sustainable urban development, and facilitating activities that also involve end users. Cities recognise progress on the horizontal and holistic dimension of the societal challenges programme. Calls for proposals now integrate economic development, ICT, mobility, social or cultural participative aspects, especially through demonstration projects in cities such as the smart cities lighthouse projects or as illustrated with the ROCK project[2].

However, more efforts should be done to facilitate integrated solutions locally. Projects and policies aimed at supporting a transition towards smarter cities will only be effective if they go beyond purely technical and sectorial smart city dimensions and adopt a more holistic approach.

In addition, it will be important to increase the coordination between Commission DGs and the executive agencies in charge of the management of innovation and research projects. Better coordination would facilitate the flow of information on project findings and project delivery challenges, ensuring outcomes feed into future policy developments. We would also welcome more coordination within the Commission (e.g. DG RTD, DG Regio and DG GROW) and a better alignment, coordination and connection of programme lines and funding instruments linked to research and to innovation (e.g. ESIF and COSME).

---

[1] EUROCITIES position paper 'Towards a stronger future for a Europe of citizens' http://bit.ly/2CqBTD8
[2] https://rockproject.eu/

Supporting cities as drivers of innovation

In cities, innovation is a highly interactive process of collaboration across a growing and diverse number of stakeholders, institutions and users. A range of complementary activities, including organisational changes, training, testing, and design are needed to address complex social and economic challenges. It is crucial to create a demand-driven and collaborative approach to innovation based on design-thinking, replicability of solutions and collaboration with citizens and stakeholders.

This collaborative local approach to research and innovation needs to be replicated and scaled-up to EU level. Collaboration between European local ecosystems is crucial to develop synergies, transfer and share knowledge, working methods and technology. It can also test new approaches and solutions for more innovation in the ecosystem value chain. Dedicated funding is needed for this[3].

We welcome the opinion of the Committee of the Regions for a new 'territorial connections' action to recognise and fund local innovation ecosystems connection at EU level. This could be achieved if the new action helps cities to foster:

- innovation (rather than low TRL [4] basic research) policies, activities and infrastructure (e.g. smart grids, broadband, wi-fi, antennas etc.) and enhance the local and regional economic impact

- interaction and connections between different local stakeholders ensuring peer-to-peer exchanges, knowledge and technology transfer as well as replicability and scaling-up of solutions among cities

- open innovation methodology to engage with and stimulate creative communities of citizens, entrepreneurs, research and technology organisations and higher education institutions

More capacity building, more impact

City authorities play a key role connecting stakeholders, facilitating cooperation, testing and experimenting with new solutions but we also act as leaders in innovation policies and actions, and reach out to civil society. We need a stronger investment in capacity building activities[5], mutual learning exercises and peer-to-peer exchanges to ensure replicability and scaling-up of solutions throughout cities in Europe.

Positive examples that should be strengthened and enlarged to other policy areas include the smart cities lighthouse projects with their follower cities scheme, which allows the participation of cities usually less involved in research and innovation projects, the CIVITAS initiative, and the Covenant of Mayors.

---

[3] EUROCITIES report on 'Local innovation ecosystems – lessons learned from local governments' http://bit.ly/2Bwe5Qf

[4] technology readiness level

[5] e.g. increasing the capacity of cities to use innovative finance schemes

We also need a stronger support for providing technical assistance to gather evidence from different collaborative projects contributing to the EU policy agenda through a coordinated approach.

A programme design further adapted to local needs

We recognise the improvements made to simplify the project design, application and reporting mechanism of Horizon 2020 compared to the previous framework programmes[6], e.g. through the ECAS platform and a simplified budget structure. We welcome the emphasis on 'doing research with cities', rather than 'doing research about cities', and the positive improvements in making the programme more accessible. However, more efforts are needed to improve the flexibility of procedures, in particular:

- project priorities aligned with city priorities. As the period between the project proposal development and its implementation can be long, more flexibility should be granted in terms of adjusting actions, budget and general conditions.

- cities are in favour of maintaining the two-stage submission procedure to ensure more time and flexibility at the time of proposal submission, which is resource intensive for many local authorities.

- according to many cities' experience, the 'seal of excellence' methodology is not entirely applicable. The idea of rewarding proposals above the quality threshold with the opportunity to approach alternative regional, national, private or public funding sources is very positive in principle. However, different rules are applied in different countries and the lack of an authority or body able to coordinate such measures have created several challenges for cities pursuing alternative funding sources.

- an increasing number of local authorities are participating in Horizon 2020 calls. This benefits the long-term impact of European funded projects, which are more easily identified when city authorities are project partners[7]. However, cities have specific dynamics and priorities. It is important to have evaluation panels with specialists that have the relevant experience to understand urban needs and how cities work for adequate assessments of the project proposals.

---

[6] As shown in the report on the H2020 simplification survey's results http://bit.ly/2EGdhLn

[7] Food in cities: study on innovation for a sustainable and healthy production, delivery, and consumption of food in cities http://bit.ly/2sHBLOF