

Cooperation between the state and municipalities: ecosystem agreements

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Contractual cooperation in urban development between the state and cities in Finland

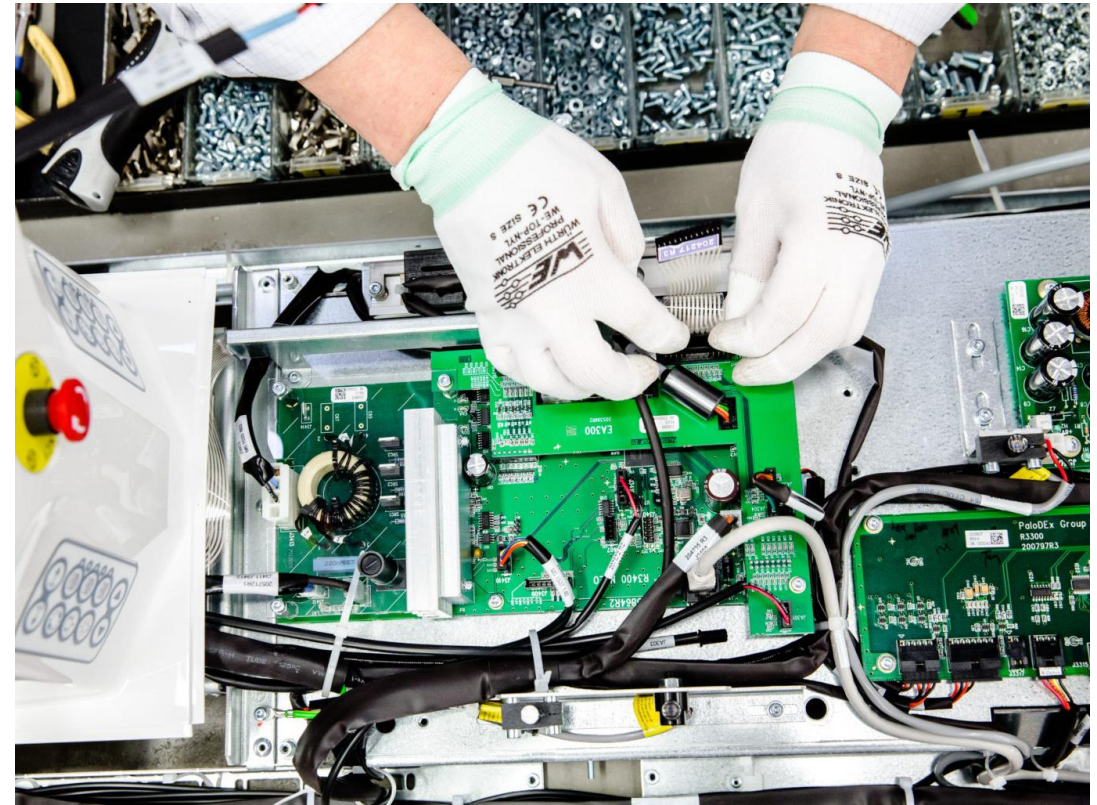
- Contractual instruments related to urban development
 - MAL-agreements (land use, housing and transport agreements) between the state and seven largest urban regions in Finland (from 2011 onwards)
 - The purpose of the agreements is to facilitate and support i) the cooperation between municipalities in urban regions and ii) between municipalities and the state.
 - Ecosystem agreements (from 2021 onwards)
 - Long-term agreements between university cities regarding the strategic allocation of public and private RDI funding to strengthen globally competitive ecosystems.
 - Alliance cooperation (from 2023 onwards) between the state and six largest cities in Finland
 - Theme agreements (in preparation)
 - The aim of these agreements is to identify and provide support for each city or group of cities in important development projects (the state does not direct new funding for the implementation of these agreements, these agreements are about coordination and allocation of existing funding).

What are ecosystem agreements?

- The objective of these agreements is to build innovation ecosystems, in other words, to **intensify cooperation within networks, strengthen key competences and increase effectiveness.**
- The agreements also aim to bring research projects and networks together into larger, mutually reinforcing competence clusters.
- A common factor for the cities involved is that their progress is based on **high university-driven competence.**
- The central government has signed ecosystem agreements with the Greater Helsinki area and other university cities and towns.
 - Participating cities and towns are Helsinki, Espoo, Vantaa, Tampere, Turku, Oulu, Rovaniemi, Vaasa, Joensuu, Kuopio, Jyväskylä, Lappeenranta (incl. Imatra), Lahti, Pori, Seinäjoki, Mikkelä, Kajaani (incl. Sotkamo) and Kokkola.
- Implementation of the agreements focusing on the development of innovation ecosystems will take place with the resources for sustainable urban development in the EU programming period 2021–2027.

In the projects financed through ecosystem agreements, three features are emphasized

- Exploiting already existing development and test environments and developing new ones.
- Strengthening of existing clusters of competence.
- Development of services that support companies' business expertise.



Financing ecosystem agreements

- The state and the cities jointly finance the implementation of these agreements.
- National funding of these agreements is based on EU funding for sustainable urban development from 2021 to 2027 (ERDF, ESF and, where applicable, JTF) – in first phase (before EU-funding was available) national regional development funds were utilized.
 - ERDF: European Regional Development Fund
 - ESF: European Social Fund
 - JTF: Just Transition Fund
- The total funding of the ecosystem contract is based on ratio of 40% local financing (cities and other local public funding) and 60% EU sustainable urban development funding (EU and state).

Key strategic content of ecosystem agreements 2021-2027

- Helsinki, Espoo and Vantaa: Smart and sustainable urban solutions, wellbeing and health technology, new learning environments and digital solutions of skills development
- Tampere: Sustainable industry, buildings, energy and infrastructure, and digital health solutions
- Oulu: Digitalisation in the changing urban environment, OuluHealth – Digital wellbeing and health solutions, and sustainable circular economy and clean solutions
- Turku: Renewing industry and life sciences
- Jyväskylä: Physical activity, health promotion and wellbeing, and renewing industry
- Kuopio: Health and wellbeing technology, and water expertise
- Lahti: Carbon-neutral circular economy and sports business

Key strategic content of ecosystem agreements 2021-2027

- Pori: Technology metals and circular economy, and automation and robotics
- Joensuu: New business in the bioeconomy and circular economy, and photonics business
- Lappeenranta (incl. Imatra): Green electrification
- Vaasa: Sustainable and smart energy systems
- Seinäjoki: Sustainable regeneration of the food ecosystem and intelligent regeneration of industry
- Rovaniemi: Arctic tourism, and wellbeing services of future and management of distances
- Mikkeli: Circular economy of municipal water system
- Kokkola: Battery chemistry, and circular economy and intelligent solutions supporting industry
- Kajaani (incl. Sotkamo): Measurement technology and high-performance computing, artificial intelligence and data centres

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