

PEER REVIEW MEETING @ HÖGBO, SANDVIKEN

INNOVATION GOVERNANCE FOR THE ELVÄG – E16 PROJECT

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1. BACKGROUND

Heavy transportation on roads is an important logistic resource for a growing industry and society. It combines flexibility and tailoring of resources thereby cutting transaction cost, in time and money. However, it is also a big source for environmental damage. The added effects from increasing demands on freight volumes with a hampered train capacity, due to lack of investments in capacity and maintenance, is a dangerous combination. An increasing use of road-based transportation and thereby an increasing negative environmental impact is already visible. Development of fuel and combustion engines, hybridized drivetrains, hydrogen/fuel cell development and electric systems as well as improved fleet management systems, solar cell-support and cargo optimization processes are areas where industry and academia have made good progress over the years. Now, however, solutions must be deployed, and positive effects must occur among the end-users of transportation so that the negative environmental effects start to decrease.

Low-carbon economy issues are unfortunately often addressed as technical problems to be solved with research and engineering efforts. This is important but will not on its own manage the necessary changes to take place. More often innovation leadership issues are critical for successful implementation. Change can be a threat – or a possibility. Crisis could often be the bootstrapping procedure for change. Talk of paradigm shifts and obvious solutions drawn, afterwards, is of little help before the change must take place.

Challenges related to change are very dependent on a cooperative spirit between many actors in a triple helix context (business, academy, public sector) and require a tremendous high level of knowledge and skill – in a complex multi-level cooperation environment - to be successful. The smart specialisation handbook describes this as a “collaborative leadership” (EC 2016 p 23). “Leadership is critical for pro-active and transformative governance” (EC 2016 p 41). It can also be seen as a “systems leadership” since one researcher defines ERS as a “system of systems”.

The Swedish national transport administration announced a pre-commercial procurement process for electric roads in 2012 and the Region of Gävleborg has been engaged in the process since then. The process is that the national authority purchase knowledge and experience from actual implementations in order to carry out further small steps towards full scale deployment. The ElvägE16 project is one of two projects awarded national- and European Regional Development Fund, the inauguration of the e-highway in Sandviken took place in June 2016. Since then two heavy trucks, in test and commercial traffic, have been used. The tests are productive, app 2,200 visitors from 30 countries have visited us since 2016 and almost everybody has travelled with one of the electric trucks. Hence, building on the successful realisation of this innovation-driven pilot-

initiative, we now approach the next steps towards a full-scale deployment, and we have identified some major issues to be addressed, in order to turn the envisaged deployment and end-user benefits into reality:

The ability to

- **combine technology in tailor made solutions, over time:** There will never be “the” solution. Rather is the “solution” based on the ability to, case-by-case, with a profitable business model, tailored for customers specific usage, design transport systems as we move on.
- **foster and empower a collaborative leadership** to guarantee enough momentum for deployment of solutions, on a national and European level, in order to realise end-user benefits.
- **ensure deployment:** Considerable funding goes into research and development of fossil free road transportation today, but equal funding is not available for deployment of solutions and, combined with legal and traditional authority logic increasing risk for investors, industry and end-users, the risk is big that good solutions never will be put in use. The operation was a success, nobody made any mistakes, but the patient died.

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3. THE PEER REVIEW PROCESS

During the last ten years we in Gävleborg have developed a method for managing complex processes and projects for societal change. We have refined it and found answers to some challenges – but we have questions for more. In this peer review we wanted to ‘go mining’ for ‘golden nuggets of learning’, that – if we can define and describe them – would make it possible to further enhance our work.

The Entrepreneurial Discovery Process (EDP) and implementation of smart specialisation requires another mind-set to prepare for success. It is a tremendously demanding task to overcome all obstacles in triple-helix contexts. Sharing experiences between different innovation projects can take us all a step further in developing

our skills. However, these hard-earned experiences should also affect policies to facilitate future implementation. Developing and implementing a low-carbon economy is a complex eco-system, under pressure to deliver measurable results fast. The tradition of “silo-development” hampers development and regardless of excellent results in different silos composite results are difficult to achieve. Interaction, exchange of experiences and results as well as a European network developing peer-learning and cooperation will foster and strengthen the competitive strength, both in projects, regions and “silos”. We believe that stakeholders different regions and organisations, with similar and complementing challenges and experiences, have potential to find and develop a way to work together – for increased benefits and strengths to regions as well as Europe as a whole. Therefore, building on comparable experiences in governing entrepreneurial discovery processes and innovative mobility projects, we were very glad for the possibility to team up with like-minded experts from the Netherlands (Region of Noord-Brabant, research organisation TNO) and Spain (Fundacion FUNDECYT, Extremadura Region).

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Magnus Ernström	Region Gävleborg
Olle Wängsäter	Region Gävleborg
Carmen Sanchez	Fundacion FUNDECYT – Parque Cientifico y Tecnologico de Extremadura Partner in the Interreg Europe project “Beyond EDP”
Nicolle Lambrechts	Region Noord-Brabant
Ric Vergeer	Region Noord-Brabant
Hans de Neve	TNO, Solar Energy Application Centre Lead Partner of the Interreg EMR project “Rolling Solar”
Peter Heydebreck	Interreg Europe Policy Learning Platform
Carl-Arvid Dahlöf	Interreg Europe Policy Learning Platform
Thorsten Kohlisch	Interreg Europe Policy Learning Platform

Table 1 Participants of the peer review meeting



Fig 1 The Peers outside of Högbo

In fact, as concluded by our peer group, it is the innovative development of the soft skills under the conceptual umbrella of “collaborative leadership” that is going to make the real difference when deployment of solutions must be reached. The innovation processes need to be conceptualised for all stakeholders and in that there is an educational dimension of communicating the concepts that need to be explored and discussed.

Our goal with the peer review was to give us enhanced knowledge of limiting factors concerning implementation of complex innovation processes/projects for systemic societal change.

4. NOTES FROM THE PEER REVIEW

The selection of peers and their experience in similar questions was excellent. Often in the past, we have needed much time, and sometimes time has not helped at all, to achieve a common understanding of the issues raised above. This hurdle was passed directly in this group, thank you very much, and full focus could be on the crucial issues.

During the presentation of the Region of Gävleborg, the peers and the peers’ regions/projects interaction was very constructive. It is difficult to report the strength and empowerment felt among us in the Gävleborg projects from the peer review meeting but, in general, it

- a) ensured us that we are on the right path and
- b) that there are several good groups in Europe with similar challenges and
- c) there is much strength in working together on these issues.



Fig 2 From the peer review meeting

4.1. LEARNING NUGGETS

A summary of the raised nuggets and the peers' feedback are listed below. It is also difficult to document all excellent experiences from this peer review meeting so these nuggets should be seen as just one part, but the part possible to write down, of the constructive results.

4.1.1. NUGGET 1

It is important to establish loyalty with the project goal and develop co-ownership before you get started.

- Identify and invite relevant stakeholders
- Jointly define your mission and objectives
- Ensure strategic and operational commitment (loyalty, resources)
- Be ready to grant successes (Angela Merkel vs. Donald Trump)

4.1.2. NUGGET 2

Establish a strong stakeholder governance structure from the start in order to minimize organisational and mandate-related disturbances, lower organisational transaction cost and build enough power to benefit from successful projects and ensure enough momentum to deploy results and ensure end user benefits.

- Ensure continuity through resources and the necessary institutionalisation (consortium, agreement, task force, "core" project team)
- Talk to your stakeholders, not about them
- Identify "problem owners" and "solution procurers" early and ensure engagement
- Manage potential opponents (map, categorise and, if possible, integrate them)
- Do not be afraid of addressing conflicts
- Use examples, good practices and peers from other regions to manage risks, increase commitment and offer solutions

4.1.3. NUGGET 3

How to lead the process successfully?

- Get a clear mandate to drive the process
- Stay focused on implementation and impact
- Inject positive energy and "fun" to handle complex situations
- Be pro-active, decisive and solution-oriented
- Invest in team- and trust-building
- Involve your stakeholders strategically in regional decision-making processes
- Exploit your networks and partnerships with like-minded regions to show practice-proven approaches and solutions

4.1.4. NUGGET 4

Often talks turn around a market window to be used. But, in complex projects there are several windows to be managed, simultaneously, and the overlapping part of these windows we call the Innovation window – the issue here is:

How to manage the windows for innovation?

- Identify, map and understand all relevant windows (political, economic, societal, technological, etc.)
- Match between technological readiness and market demand
- Start with low-hanging fruits to achieve first results and impacts
- Use open windows instead of pushing through the closed ones
- If necessary, pull the plug
- Use communication strategically to influence windows (e.g. public opinion)

4.1.5. NUGGET 5

Active cooperation with peers, working on similar projects where references and good stories from other European regions can be used to drive other projects development are powerful tools. Indicators, evaluations, results – communicated by someone not being part in the project, for example peers, has potential to establish good stories to be told and are important tools to drive the change-process towards deployment and usage. The issue here was:

How to use evaluations and peer learning.

- Gain qualified information about your progress and impact
- Identify and exchange on well-working practices with other regions
- Use positive evaluations to support team-building (“We are successful”)
- Get motivation to become better and work harder
- Give feedback to stakeholders and reinforce their commitment
- Obtain legitimacy for change and decisions (new challenges, new possibilities)

4.2. STORIES

Building a few good relevant and exemplifying stories and telling them, same story in several places at the same time, often help in driving paradigm shifts and change processes. By hearing other organizations and policy makers tell similar stories others feel more comfortable in changing, even though at first sight the task or challenge might be felt as too dangerous. As a wrap up of the peer meeting, we went around the table – collecting good stories. Below a summary of issues discussed towards building a small set of useful stories that can help drive deployment is presented.

- To go from technology to implementation takes many years, demands large number of stakeholders and funding

- The cost of funding relates to risk. By reducing risk money gets cheaper and deployment can take place
- Important that stories need heroes
- Start early working with the “how”-process
- Implemented CO2 neutral industry demands continuous value-chains, often at cross-border or interregional level
- Inspiration from others – how to raise awareness and find solutions
- Strengthen joint policy development to improve ability to deploy innovative solutions
- “When you call the “market”, who answers the phone?” Why not involve them at an early stage?

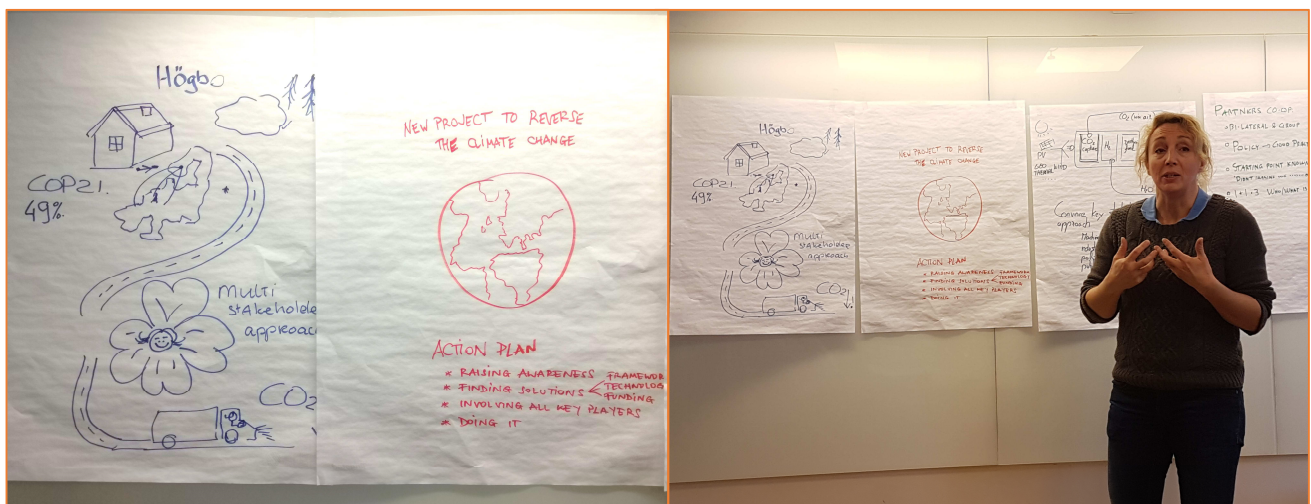


Fig 3 and 4 Story telling session

4.3. IMPRESSIONS FROM THE EXCHANGE AND THE WAY FORWARD

- Great atmosphere. Lots of humour, always important, relaxed. Also, quite serious about complex matters
- Really good for our project, excellent timing, good input. Fun to meet people from other countries with similar interest but different perspective that enrich us
- Deep and sincere thank you for being here. Good timing for us to reconceptualise our project and starting the “how”-process
- Very rich discussions, inspiring. Spark to do things better. Would really like to launch (a) joint project with the peer regions – (to do) something practical like targeted exchanges on innovative mobility solutions or first steps towards closer business cooperation (interregional value chains)
- Good contributions to our management and use of the innovation window, and a brilliant discussion regarding aspects on this way of combining other windows
- Immediate use; The lessons learned regarding innovation windows were already used and applied in March 2019, in a meeting with regional industry, to focus the innovation process towards operational engagement in climate smart transportation. Under the title “implementation of smart specialisation – the new role for government”, the lessons learnt from the peer review were furthermore shared with Swedish innovation stakeholders at the annual conference of the Swedish regional development forum “Reglab”, held on 27 March 2019 in Västerås: <http://www.reglab.se/aktiviteter/larpass/>.
- Peer experiences and projects with solar cells will be brought into the Gävleborg planning for cycle roads and noise barriers
- Also, other concrete experiences, such as examples and stories from the peers, will be used to empower our regional process given that there are good examples in other regions, that we can visit, use as references and cooperate with
- This has accelerated and given us tools to start the deployment process. Going home with new empowerment

Some feedback from our colleagues and partners:

- Compliments to the host - peer reviews demand a bit of courage; the political world is very harsh
- As a policymaker I work with a multi-stakeholder approach. I like the cooperation within the EU, see (since) there are similar problems
- Quickly achieved common understanding
- We very much appreciate the concrete recommendations and follow-up actions.