# Collaborative multi-stakeholder arena as a mechanism enabling adaptive implementation of policy mixes on circular economy

Conference extended abstract

**Towards a Global Research Agenda for Transformative Innovation Policy Conference**

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*Conference track: The role of specific actors in transformative change: Governments, businesses, scholars, civil society organisations*

Cristian Matti, Transitions Hub Lead

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# Introduction

The project provides evidence on the application of a systemic policy model through a portfolio of actions to support transition to the circular economy. For doing so, we analyse the implementation of a portfolio of actions delivered within the EIT Climate-KIC ecosystem..

Emphasis is put in fostering reflections and draw lesson learnt over the entire process of design and implementation of actions by enable critical reflection through interfaces between science, policy and practice. For doing so, focus is put in the exchange and dynamic conversations coming from a cross-functional team integrated by challenge owners (i.e. policy makers) and practitioners, Innovation and knowledge managers, academics as well as business and experts (Vivas Lalinde, Matti, Panny, & Juan Agulló, 2018).

The project aims to go beyond this normative view and investigate policy design and implementation and explore the links between agency, policy change and institutional change. Emphasis is put in adaptive process of co-production and co-design by looking at collaborative multi-stakeholder arena as a mechanism that facilitate the alignment of problems, solutions, interest and broad innovation ecosystem resources such as knowledge and finance as well as relational assets (Ansell et al., 2017). Focus is put in Smart Specialization as a new territory for experimentation where linkages and articulation between actor are still not necessarily in place (Matti, Cristian, Uyarra, Elvira, & Flanagan, Kieron, 2018) but are relevant elements within the overall discussion on EU Cohesion Policy and the Multiyear financial Framework where the Circular Economy is indicated as a priority area.

**The Deep demonstrations approach.**

Scientific and policy community strongly agree that climate emergency is upon current actions and initiatives. Continuing to work through gradual, incremental changes will not be enough. What is needed now is a fundamental transformation of economic, social and financial systems that will trigger exponential change in decarbonisation rates and strengthen climate resilience – what the IPCC Special Report calls, *"rapid, far-reaching and unprecedented changes in all aspects of society".*

In that context, Deep demonstrations (testbeds) are an initiative led by EIT Climate-KIC[1] to foster such changes. These start with a demand-led approach, working with city authorities, regional bodies, governments or industry leaders committed to zero-net emissions, resilient futures. Through a system innovation approach, EIT Climate-KIC match this demand with supply, bringing the full force of our innovation community to tackle multiple levers of change simultaneously through rapid experiments.

The programme defines Systems innovation as innovation designed to engage self-transforming properties - they change in dynamic ways in response to different interventions- by intervening on levers of change around financing models, policy and regulatory frameworks, perception and

[1] EIT Climate-KIC is a European community of innovators and entrepreneurships with the will and ambition to support Europe's leaders in tackling climate.

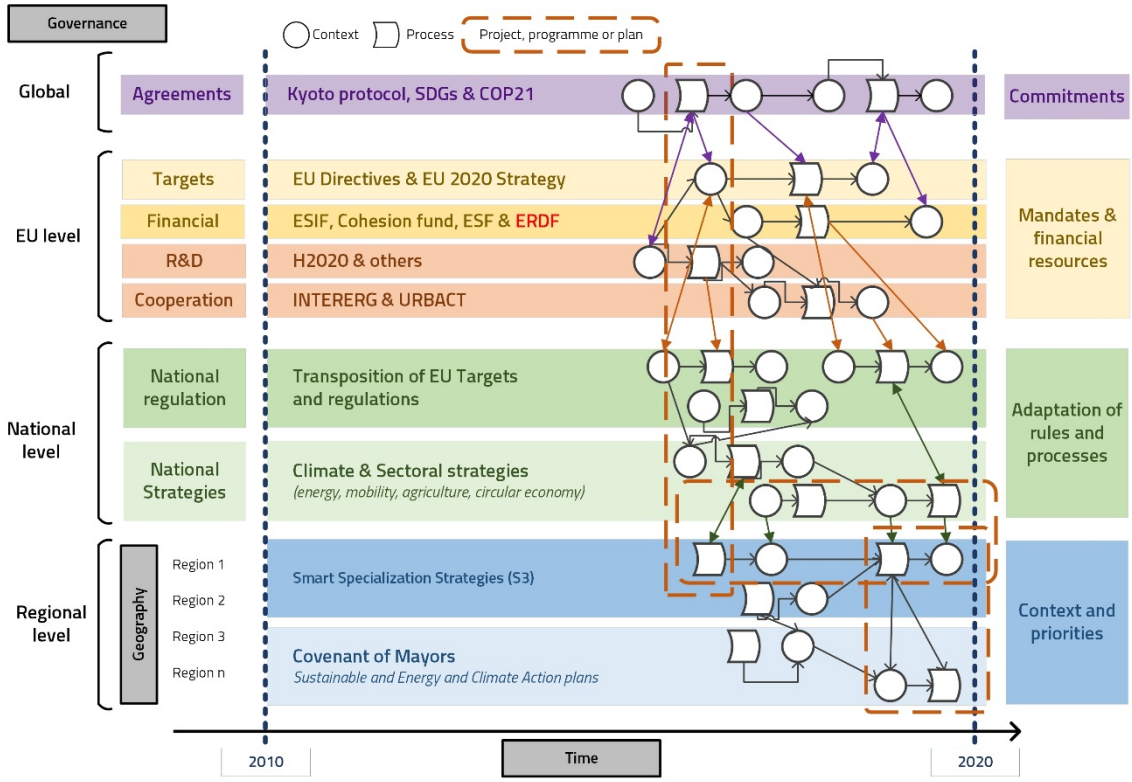
social norms, skills and capabilities, technologies, citizen participation and behaviour, business models, and production systems(EIT Climate-KIC, 2019).

**This applied research project** focus on **knowledge services** as one of the possible approaches for practical implementation of these initiatives. The project team has designed this approach by concentrating on learning together with practitioners about what creates enabling conditions to change under the specific context of processes driven by the EU policy framework.

## The European policy background

Emphasis is put on the alignment of multiple stakeholders and instruments with existing regional innovation plans such as Cohesion Policy and Smart Specialization Strategies (S3) by which policy mixes emerge with the purpose of reinforcing synergies and complementarities between EU, national and regional innovation initiatives (Flanagan, Uyarra, & Laranja, 2011; Matti, Consoli, & Uyarra, 2017). The study analyses the configuration of these policy mixes and addresses their performance regarding systemic innovation towards circular economy within a multivalve governance system (Matti, Panny, Juan Agulló, Vivas Lalinde, & Spalazzi, Annalisa, 2019). We argue that a variety of mechanisms for public-private collaboration is required to effectively support sustainability transitions.

**Figure 1 Four elements for analysis multilevel governance systems**




Source: Matti, Panny, Juan Agulló, Vivas Lalinde & Spalazzi (2019)

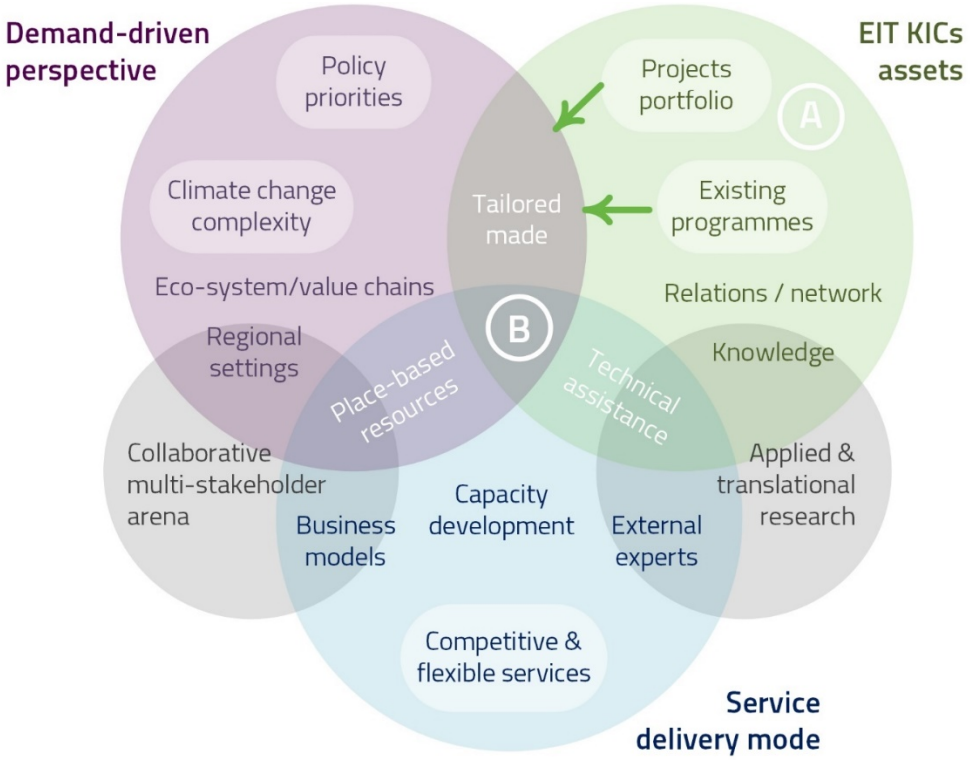
## Methodological approach

The project analyses a collection of initiatives involving the design and delivery of technical assistance and participatory processes as part of ongoing policy process with focus in implementation of Smart Specialization Strategies and Cohesion Policy. Those initiatives involve co-creation of joint activity with the knowledge experts (e.g. Climate KIC partners and external organizations as JRC) to prototype a service model based in the customer/problem-owner's needs (Bettencourt, Ostrom, Brown, & Roundtree, 2002; Fitzsimmons, Fitzsimmons, & Fitzsimmons, 2004; Miles, 2005; Muller & Zenker, 2001). The overall process is very often referred in the business environment as Service Design Thinking in terms of *"the practice that generally results in the design of systems and processes aim at providing a holistic service to users"* (Stickdorn, Schneider, Andrews, & Lawrence, 2011)

Evidence of **adaptative implementation of policy process** is analysed through methodological triangulation by applying combining evidence from of multi-stakeholder participatory processes run in 2018-2019 and analysis of secondary data and policy documents.

The project seeks to gather lesson learnt on the policy experiments designed to introduce the notions of transformative change and system innovation through different mechanism based in knowledge services (Matti, C., 2018). Figure 2 Below explains the overall logic

**Figure 2 System Innovation as a knowledge service**




Source: own elaboration

**Place based resources** are allocated to settle a **collaborative multi stakeholder arena** starting with a demand-led approach, working with city authorities, regional bodies, governments and industry leaders committed to transitioning to circular economy.

**Technical assistance** powered by **applied and translational research** facilitate the matching between demand and supply elements by bringing the full KIC community portfolio of projects and assets to tackle multiple levers of change simultaneously through rapid experiments as well as institutional **capacity development** enabled by **expansive learning** mechanism.

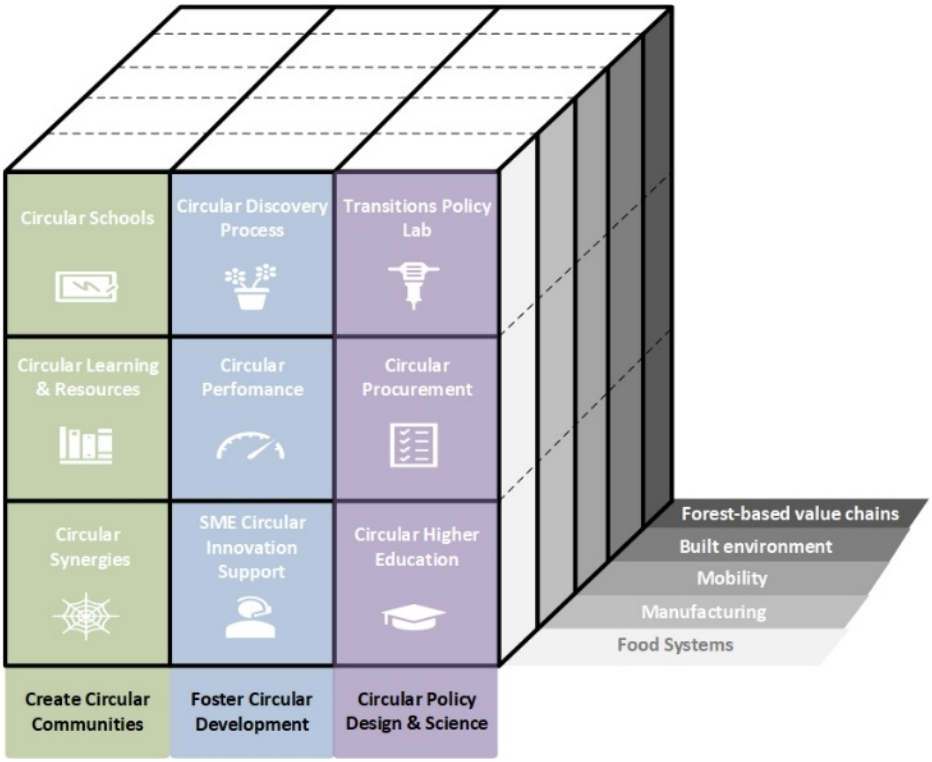
**Empirical evidence** is based in the current developments on a Circular and Regenerative Economy in Slovenia, Bulgaria, Greece and the region of Cantabria in Spain at different stage of deployment. Analysis is focused in the mechanisms by which **actionable knowledge** is channel through processes for co-design portfolio of actions aimed to foster rapid change by tackling the circular economy transitions through a systemic approach.

## Insights from the implementation process

Evidence of **adaptative implementation of policy process** is analysed through methodological triangulation by applying combining evidence from of multi-stakeholder participatory processes run in 2018-2019 and analysis of secondary data and policy documents. The project has highlighted the potential of the design and implementation of transformative activities based in science-policy-practice interface. Three preliminary finding of the finding of this work can be highlighted:

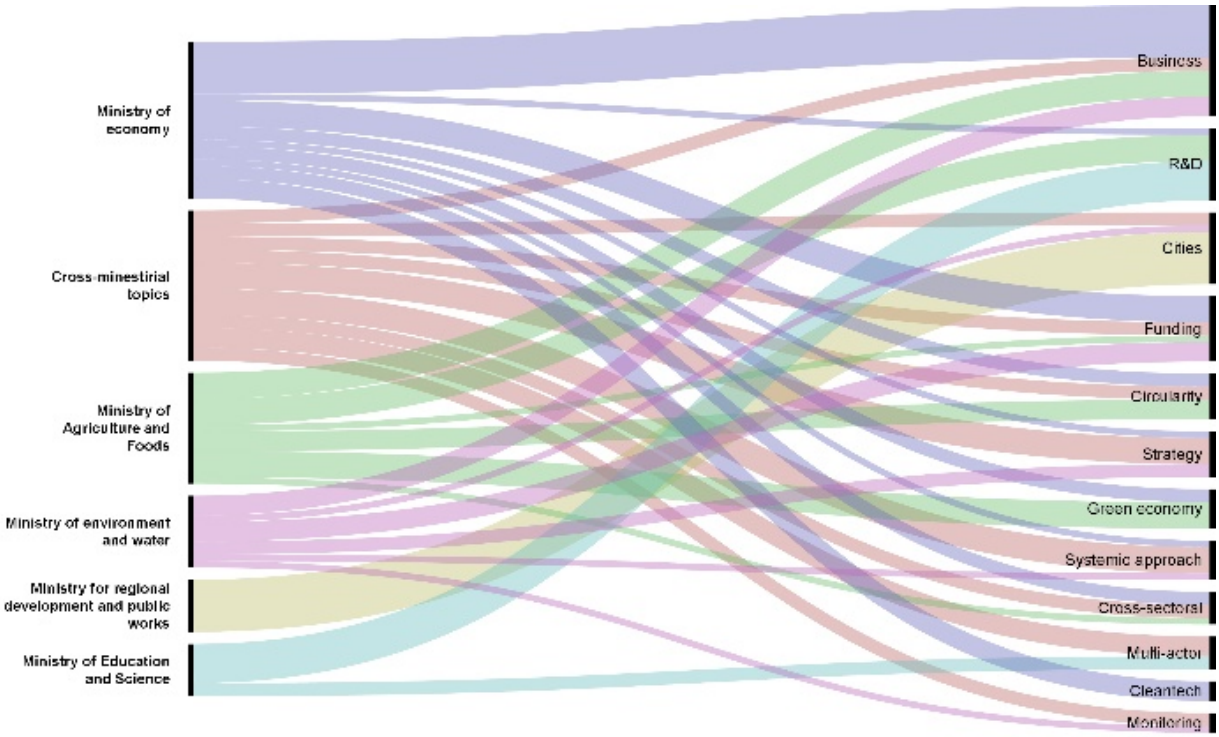
- **Intermediary roles and leadership.** New insights on has been put in practice on the role of pan-European networks such as EIT Climate-KIC as an agent catalysing transformative change to address climate change within a multilevel complex policy arena through consolidation of programs with member states and collaborations with EU agencies and leading organizations.
- **Expansive learning** has been identified in terms of collective understanding of societal problems as part of the combined system assessment and co-design process for a portfolio of transformative activities to face systemic obstructions and institutional gaps.
- **Transformative activities** as a concept has contributed to illustrate a breakthrough demand-led logic by the application of a portfolio approach to learn fast and reduces the risks that come with transformation (see Figure 3).
- **Portfolio approach** facilitates multi-actors dialogue regarding systemic approach for circular economy in terms of integrating cross sectorial, cross ministerial and cross-value chain perspectives for the design and adaptive implementation of policy mixes (see Figure 4)
- **Knowledge services** as innovative practices for technical assistance grounded in translational and applied research can enable expansive learning mechanisms to address institutional capacity development.

**Figure 3 Systemic approach for Circularity in Slovenia (2019)**




Source: own elaboration

**Figure 4 Snapshot of cross ministerial dialogue on Circular Economy in Bulgaria (2019)**




Source: own elaboration

The main empirical material examined is the compilation of actions developed in Slovenia, Bulgaria, Greece and the region of Cantabria (Spain) at different stage of deployment. Methodological triangulation is applied by combining evidence from of multi-stakeholder participatory processes run in 2018-2019 and analysis of secondary data and policy documents.

**Transformative results.** The project is aimed to highlight the potential of the design and implementation of transformative activities based in science-policy-practice interface contribute to explore the role of pan-European networks such as EIT Climate-KIC as an agent of systemic change in the policy arena through consolidation on of leading programs with member states and collaborations with EU agencies and leading organizations. Those transformative activities are framed within the overall discussion on EU Cohesion Policy and the Multiyear financial Framework where the Circular Economy is indicated as a priority area.

The transformative activities seek to illustrate a breakthrough demand-led logic by the application of a portfolio approach to learn fast and reduces the risks that come with transformation. For doing so, lesson learnt emerged from the experimental nature of the design and adaptive implementation of policy mixes. In this context, the project presents early results on the implementation of collaborative multi-stakeholder arena to support a transformative policy processes to design comprehensive visions, goals and rules as well as identify tools and resources to address the transitions to the circular economy.

## Contribution to Transformative Innovation Policy Research

Transformative Innovation policy can be addressed by facilitated interfaces between science, policy and practice where intermediary roles are critical. Translational and applied research can be considered as strategic research lines for development of actionable knowledge and, thereby, enable better and more sustained interfaces for multi-stakeholder collaborative arenas.

## Cross-functional team

Core team

- Cliona Howie, Circular Economy development. EIT Climate-KIC
- Cristian Matti, Transitions Hub Lead EIT Climate-KIC
- Julia Panny, EIT RIS programme coordinator EIT Climate-KIC
- Irene Vivas Lalinde, Project officer Transitions Hub EIT Climate-KIC
- Annalisa Spalazzi, project officer EIT RIS for the Mediterranean EIT Climate-KIC
- Thomas Wagner, EIT Climate-KIC
- Jose Manuel Martin Corvillo, University of Valencia and EIT Climate-KIC

Scientific advisors

- Dominique Foray, Collège du Management de la Technologie, École Polytechnique Fédérale de Lausanne
- Elvira Uyarra, Manchester Business School- University of Manchester, United Kingdom
- Kieron Flanagan, Manchester Business School - University of Manchester, United Kingdom
- Pedro Marques, INGENIO (CSIC-UPV)

Knowledge and Innovation organisations: EU Joint Research Centre, Cleantech Bulgaria, Athena Research and Innovation Center, Vito and TU Berlin

Practitioner and policy makers involved: Policy Officers of Government of Slovenia, Bulgaria, Greece and the region of Cantabria (Spain)

**Disclaimer**

*The content of this paper is based on the results of applied research projects by a cross-team of EIT Climate-KIC staff as part of wide interaction with academic and policy community. As such, the results do not necessarily reflect the opinion of EIT Climate-KIC.*

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