



EIP-SCC

European Innovation Partnership
on Smart Cities and Communities



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An initiative of the European Commission

GENERAL ASSEMBLY

12TH OCTOBER 2017

'Towards a Joint Investment Programme for Smart Cities'

SUMMARY



The 2017 EIP-SCC General Assembly brought together 350 participants from across Europe to pave the way to a EU Investment Programme joining public and private investors' efforts to deploy SCC-related solutions throughout EU cities and stimulate EU industry and implementers.

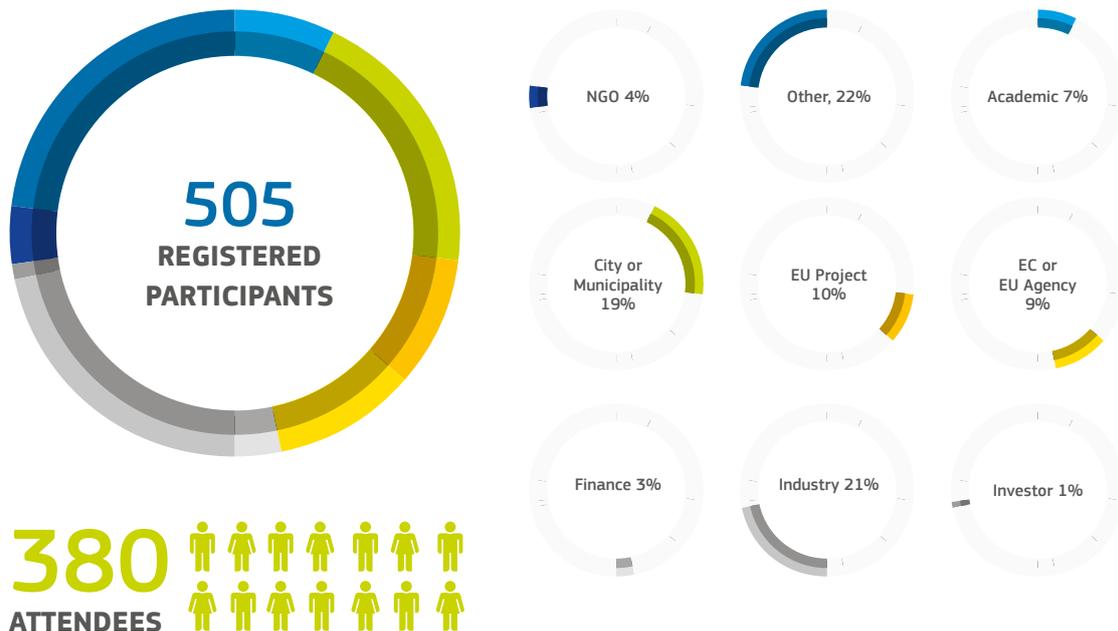
GENERAL ASSEMBLY: PURPOSE, AGENDA AND PARTICIPANTS

The General Assembly (GA) was held with the purpose of shifting focus towards the scale financing of 'smart-city' solutions through the alignment of the related perspective of cities, industries and investment sectors. Discussions also looked into building on the EC stimulus investment, ongoing activities and making concrete plans for the future.

The Agenda followed the path of the GA Theme:

"Towards a Joint Investment Programme for European Smart Cities".

- Key note from Commissioner Bulc on investment potential.
- A Market place Breakfast (by invitation) preceded the plenary to stimulate practical discussions on themed tables.
- Kicking off with a future view of the smart cities market to lift eyes to a new horizon.
- Key notes from European Commission, Vice President Sefčovič and the Committee of the Regions, Vice President Markku Markkula.
- Panel focusing on experiences from the €300 million EU investment in "Lighthouse" programmes.
- Policy context keynote from Lora Borissova, Head of Cabinet for Commissioner Gabriel.
- Panel focusing on the investors' perspective.
- Potential from international synergies and opportunities.
- Summary of the day and context for the 2018 General Assembly in Sofia.



Click here

This document summarises each element. The full agenda, session details, pictures, video and presentations can be found on the EIP-SCC website: www.eu-smartcities.eu.

MARKET PLACE BREAKFAST

160 participants from Industry, Cities, Investment communities with 17 themed tables in a 90-minute focused discussion to bring some practical initiatives closer to market action. Most table topics were related to the six specific EIP Action Clusters:

- **Sustainable Urban Mobility (SUM):** New Mobility Services; Intelligent mobility for energy transition; Urban Air Mobility; EV4SCC (electric vehicles for smart cities and communities); Alternative Fuels Special Vehicles.
- **Sustainable Districts & Built Environment (SD&BE):** Deep retrofitting – an immediate need; Positive Energy Blocks – the Roadmap.
- **Integrated Infrastructures & Processes (including Open Data) (II&P):** The Humble Lamppost – maximising value from city assets; Urban Data Platforms.
- **Citizen Focus (C-F):** General Data Protection Regulation (GDPR) – securing data for Smart Cities; Societal Engagement Tools for Cities; Participatory Budgeting for Inclusive Smart Cities.
- **Integrated Planning / Policy & Regulations (IP&P):** Building Confidence & Smart City Roadmap; The Role of National & Regional Government to stimulate market.
- **Business Models, Finance & Procurement (BM&F):** The role of Structural Funds to stimulate Blending of Finances.
- **General:** Packaged Solutions for scale replication; Urban EU-China Initiative.

A summary of the Market place Breakfast with all 17 discussions can be found [HERE](#).

The ideas and actions from each table will be incorporated into the Roadmaps for each EIP-SCC Action Cluster and their initiatives.

WELCOME ADDRESS

Paul Timmers, Independent Digital Innovation Advisor, Former Director for Digital Society, Trust & Cybersecurity at the European Commission, provided the plenary welcome address.

Mr Timmers's presentation can be found [HERE](#)  The start point of the video of his speech is 00:01.



MARKET PLACE BREAKFAST FEEDBACK (IN PLENARY)



The recurring key points emerging from the Marketplace breakfast discussions were summarised incorporating commentary from some of the table chairs:

- Finance – accessing new (private) sources and ‘blending’ them with public and other sources.
- Focus on return on investment to build investor confidence.
- A key role of market ‘conveners’ (EC, cities, investors, etc.).
- Recognising the needs of small & medium cities.
- Engaging value chain actors and Integrating across sectors.
- Demand aggregation to access economies of scale.
- Open standards to support the above.
- Use cases and practical examples to build understanding and confidence.
- Structured knowledge to help capacity building.
- Central focus on changing the mind-set!

SMART CITIES OF THE FUTURE: HOW CITIES ARE RETHINKING THE POSSIBLE

Jacques Vermeulen, Nokia, Smart Cities Lead, shared his perspective on the evolution and opportunities in the market. Key points discussed include:



- Smart Cities are evolving from public service optimisation to urban sustainability.
- As citizens, visitors, enterprises and goods do not stop at the boundaries of Cities and Communities, sustainable Smart City solutions should span over multiple cities, regions and communities.
- Silo deployments of niche Smart City solutions are proving unsustainable. Smart City challenges surfaced in a specific domain (e.g. mobility or energy) will need solutions spanning multiple domains (e.g. private car congestions being addressed with public, private, on call transportation and urban planning). Sustainable Smart Cities are deploying ubiquitous IP network infrastructure (wireline and wireless) and horizontal IoT platforms.
- Moving towards ‘opt-in’ services – identifying the place for cities, governments and regions to provide people with a secure and transparent environment for the implementation of opt-in services.
- The increased complexity of cities will lead to requiring programmable access to the combined insights of multisource live streams for deriving actionable analytics.
- Moving forward to 5G – enabling intelligent transportation with support from OZO virtual reality cameras.
- The deployment of Sustainable Smart Cities can open doors for citizens and enterprises while enabling them to excel in a growing digital economy.

Mr Vermeulen's presentation can be found [HERE](#)  The start point of the video of his speech is [14:45](#).

PANEL 1 – THE EC’S INVESTMENT STIMULUS TO SCC ‘LIGHTHOUSE’ PROGRAMMES

The Panel was preceded by two short keynotes.

- KEYNOTE VIDEO: SEFCOVIC, VICE PRESIDENT OF THE EUROPEAN COMMISSION



“Our focus is on smartening cities so as to make them more liveable, sustainable and enjoyable. We are also committed to supporting EU’s front running cities (the Lighthouse programmes). We are currently connecting 36 Lighthouse projects and 42 follower cities among each other to foster knowledge sharing. These projects are supported by the EU with €270 million and are capable of attracting further financing as a result of the innovation they bring.”

Knowledge sharing, however, still leaves room for doubt on how to successfully implement a Smart City model. The EIP-SCC contributes to enriching the knowledge dissemination by ‘twinning’ cities and matching investors with promising projects. This match plants the seed for achieving scale financing. The new market consists of all lighthouse cities, follower cities and existing innovative partnership. We have set the ambitious yet feasible goal of scaling this new market up to a scope of 300 cities and obtaining financing worth €1billion within 3 years.

Through the Marketplace, investors will be able to find plenty of sustainable projects all in one place, EU cities will have access to major new sources of investment, innovators will see European cities as incubators of innovation and citizens will live in smarter and future-proof cities. Smart cities are about combining technologies through the interaction of city systems. In order to enable this change, existing silos between policy fields must be broken and new synergies sought.”

The video of the Commissioner's speech can be accessed [HERE](#)  The start point of the video is 56:00.

- KEYNOTE: MARKKU MARKKULA, VICE PRESIDENT COMMITTEE OF THE REGIONS (CoR)



“CoR involves 700 politicians from different European countries. We have mostly been focusing on reviewing what will happen after 2020, analysing the financing instruments and the role that will be played by the Cohesion policy which will most certainly be worth its name. The Cohesion policy beyond 2020 must embrace collaboration through partnerships and seek synergies to exploit the diversity that Europe is rich of. Sustainable growth will remain our number one goal – not to be intended as an isolated growth but as a social and cultural sustainable growth. A key element will be entrepreneurialism, associated to smart specialisation – these two elements will be crucial for partnerships, particularly after 2020. We must spread the learning from lighthouse cities to all communities across Europe through collaboration at all levels. New developments and platforms are emerging to support rapid learning amongst European cities. Integrating research with the EIP-SCC presents considerable additional opportunities.”

Mr Markkula's speech can be accessed [HERE](#)  The start point of the video is 1:02:46.

PANEL 1 – THE EC’S INVESTMENT STIMULUS TO SCC ‘LIGHTHOUSE’ PROGRAMMES

PANEL DISCUSSION: SEEDING THE GROUND FOR MARKET DEPLOYMENT OF SCC SOLUTIONS; FROM PILOT TO BUSINESS CASES

MODERATOR: Pirita Lindholm, European Regions Research & Innovation Network (ERRIN) Director.

PANEL: Markku Markkula, Vice President Committee of the Regions (CoR); Ruska Boyadzhieva, Deputy Mayor of Burgas; Jaroslav Kacer, Deputy Mayor of Brno; Francisco Rodriguez, Chair of the Collaboration group for H2020-funded project on smart and Sustainable Cities; Jan Schoenig, Manager Corporate Development, Special Projects - Siemens AG.



Key points from the panel discussion include:

- The EU funding will go towards playing a catalysing and enabling role. This means that business and financing models need to be developed, tested and scaled up. More focus – and funding should be dedicated to this.
- Capacity building, accompanying, setting up and implementing these models should be supported. Further replication activities required within Lighthouse projects: coaching; capacity building programme on how to use new business; management; financing models.
- Dedicating funding line for scaling up innovative solutions and business models.
- Several points on cooperation and linking up within cities, regions and nations were brought up during discussion.
- In Burgas the city had brought together the different municipalities in the region to explain their projects related to smart cities – resulting in a major success.
- Follower cities could come from the same region or country. Collaboration between cities within the region and at national level could be encouraged or funded by national programmes – this would allow a wider replication within the national context.
- Smart Cities solutions should be developed for the citizen, by the citizen and based on citizen needs.

KEYNOTE: LORA BORISSOVA, HEAD OF CABINET FOR COMMISSIONER GABRIEL

Towards a Smart Cities and Communities investment plan in the EU: a joint commitment of policy makers, industrial players and investors to make our cities smarter:

- The EIP is an important joint venture between DG ENER, DG MOVE, and DG CONNECT.
- The EIP goal is to deliver portable and affordable innovative cross-sector services that will bring energy efficiency and drastic environmental improvements on a global system level way beyond what the energy, transport and ICT domains could achieve in isolation.
- Practically by bringing cities, industry and investors together we will develop and implement solutions; facilitate networking and partnership; accumulate and share knowledge; build capacities on energy, transport and ICT.
- Despite the EIP being a non-funded vehicle it has delivered some impressive results: the urban platform with 100 cities and 90 industries represented through signature to the Letter of Intent (LoI) and Memorandum of Understanding (MoU); growing alignment between the EIP and the 'Lighthouse' programmes.
- We must find alternative financing sources to the public purse and innovative business models to apply, which raises the theme of the conference: 'Towards a joint investment programme for Smart Cities'. We need bold goals; engagement across sectors; access to new finance; exploitation of the potential of digitalisation and a programmatic approach.
- The EC intends to play a key role: by maximising the impact of the 'Lighthouse' programmes; identifying quick wins for rapid replication; stimulating dialogue with investors; supporting alignment of EC finance sources; fostering standardisation; and focusing on capacity building for business models and financing.
- We count on all assembled to actively participate and contribute to our joint journey to transform Smart Cities from a technology-led and industry-driven market to a city-needs led and demand-driven market.

Mrs Borissova's speech can be accessed [HERE](#)  and the start point of the video is [1:07:00](#).



KEYNOTE – COMMISSIONER BULC: “OPPORTUNITIES FOR INVESTING IN SMART, COOPERATIVE AND SUSTAINABLE URBAN SOLUTIONS”



Commissioner Bulc demonstrated the strong support and commitment of the Commission towards the goals of the EIP-SCC. Some key points include:

- This GA is a great opportunity to debate what is needed to invest in the Cities of the Future. The real impact of the Juncker Priorities in Decarbonisation, Digitalisation and Investment will be seen in urban areas. With technologies converging, we need to continue pushing for greater policy coordination.
- For the last 5 years, the European Commission has clearly demonstrated its ambition to support investment and act as a catalyser for change. The 12 lighthouse smart cities, 3 large CIVITAS transport demonstration projects and over 20 other smart-cities type projects provide a great investment portfolio worth at least €450m.

European grants are not enough – we need to put other actions in place to attract other public and private investment and develop new collaboration models between sectors to move to deployment.

Making this very practical, some concrete actions from the Commission:

1. Overcoming market fragmentation – supporting scale-up. The Common Deployment Initiative for clean buses with 65 cities and companies signed up to the Clean Bus Declaration. We address policy needs, hedging technology risks and finance needs, to help tackle market fragmentation and uncertainties through policy and financial levers to support fast scale-up.
2. Early experience with blending of financing and funding. The recently completed first €1 billion blending call, combining CEF grants with EFSI, National Promotional Banks and private finance. The EFSI Bulles project will create six bus lines to complement existing networks and benefit 200.000 citizens, with an investment of €430 million. EFSI finance €110 million. Other funds come from 4 local authorities, Region and Government, Caisse des Dépôts and other banks.
3. De-risking projects – from the perspective of a public-sector decision maker. The EIB-managed ELENA initiative, which provides Technical Assistance to Local Authorities helps address inherent city investment risk. Through the ELENA energy grants we have helped the cities of Zagreb, Bratislava and Nova Gorica to invest in more energy efficient street lighting. The first ELENA transport projects have started in Amsterdam and Klaipeda in Lithuania.
4. Improving Public Procurement effectiveness. We have set up two networks of public procurers of local and regional authorities, recognising that 16% of Europe's GDP is public procurement and around €13 billion of Cohesion funds is spend in cities. This is a powerful tool to scale smart cities solutions.

Commissioner Bulc declared being impressed by the goal of having €1 billion investment in innovative solutions for smart cities and communities committed and to have 300 cities engaged by 2019.

She further explained the way she sees the EIP:

- Stage 1: providing a meeting place for focused cooperation.
- Stage 2: focusing on duplication and replication through sharing of experiences.
- Stage 3: creating replicable high impact solutions that create business and value cases in the market – solutions investors are looking for. Smart Lampposts and eBikes are good examples of solutions that are ready for pooled activities.

The Commissioner's speech can be accessed [HERE](#)  and the start point of the video is 01:55.

PANEL 2 – INVESTING IN THE CITIES OF THE FUTURE: THE INVESTORS PERSPECTIVE

PANEL MODERATOR: Stephanie Trpkov, World Bank.

PANEL: John Jorritsma, Mayor of Eindhoven; Giuseppe Ricci, ENI Vice President Refining Marketing; Marcello Segato, CEO Zehus; Eva Witt, Director Federal and European Affairs, KfW; Peter Coveliers, Board of Directors European Energy Efficiency Fund (EEEF).

Key points from the panel discussion include:

- Investments should be considered particularly in terms of the return streams, and must have clear KPIs.
- Cities and communities should be made aware of the various forms of incentives at their disposal, so that they can combine various funding schemes to support projects.
- Project evaluators should be trained to recognise new business models and their potential.
- Standardisation and coordination should be improved between institutions and the private sector.
- Public agents should be more agile to keep businesses from missing opportunities.
- Invest in people. Consider building smart societies, rather than cities.



SMART CITIES INTERNATIONAL EXPERIENCES

Daniel Annenberg, Innovation Secretary, São Paulo, provided a view into activities in Brazil, with the following principle messages:



- Innovating by solving citizens' problems: in order to be meaningful and purposeful, innovation in public sector must be implemented as a set of techniques, technologies and tools capable of solving citizens' problems in their daily lives. For us, public innovation is to solve problem and to generate social impact.
- Single government for single citizen: the citizen's perception of government is like a congeries of fragments, some of excellence while others evince poverty, difficulties communicating with each other on an integrated vision about the citizen.
- Sao Paulo is a smart hub in South America: the infrastructure of physical networks, of communication, security and, above all, about the formation and concentration of intelligent human capital, added to the government's initiative in creating enable the city of São Paulo to declare itself the best destination for investments in smart cities.

Access Mr Annenberg's presentation [HERE](#)  and the start-point of the video is at **00:50**.

Jo Arne Lindstad, Global Director, Ericsson, then followed with a view from Industry on the international market evolution:



- Smart cities are not really about technologies. The biggest challenges lie in the fields of policy, regulation, finances, and operational models.
- What drives cities to become smart? The first motivator are the people, who seek attractiveness. The second is competitiveness of cities to attract jobs and growth. The third is society – increasingly concerned with sustainability. All three elements are equally important. And the journey to smartness for any city needs to start by setting very clear ideas about the metrics that underpin the targets they seek in these areas.
- Financing is clearly important (as has been discussed). National programmes (like recently in Australia) help stimulate the market. Different public and private sources and business models must all be explored: PPP, concessions.
- Regulation – particularly in data privacy and security – is vital; and regulators need to move early; technology is moving faster than many regulatory bodies. Also, regulators for the various silos need to come together for 'smart' topics.
- Smart is creating new value chains, and this is changing the game. With interconnected technologies (like IoT), far more is done horizontally. We are moving from connected to cooperating to automated, and this is advancing fast.
- The diversity of service and infrastructure data needs and characteristics presents considerable complexity for cities, however 5G expectations are high in terms of its ability to service these growing requirements.
- A different approach to financing of smart infrastructure is made by bringing in companies / investors that are used to holding assets on their books such that the capital-constrained city has the chance to transfer assets to new owners and get smart solutions.

Access Jo's presentation [HERE](#)  and the start-point of the video is at **20:00**.

CLOSING SESSION – SO WHAT, AND WHAT’S NEXT

Khalil Rouhana, Deputy Director General, DG CNECT, provided a summary of the day:



- Data has become the connector of cities – digital transformation and emerging technologies (e.g. Artificial Intelligence, Internet of Things, Big Data) present enormous opportunities and challenges: ownership, access, privacy, security, including cybersecurity; how administrations are organised; how we drive productivity and value creation.
- For public sector this can be characterised in two areas: (i) making the best out of technology to open up data to improve services, and (ii) for policy makers to remove barriers and to address any challenges in the path to digitisation.
- The European Commission is currently working to address those issues; some examples are the proposal for a regulation of the European Parliament and of the Council on a framework for the free flow of non-personal data in the European Union, the new cyber-security package; measures to support artificial intelligence etc.
- The important work of the EIP-SCC is to prepare the ground for practical use cases that move us to a large scale integrated investment push. The blueprint for an urban platform is a good example. This enables the adoption of urban platforms in cities by ensuring interoperability, avoiding vendor lock-in, cutting through the silos and enabling cross-sector and cross-border portable services and applications.
- Several smart city solutions resulting from research projects have been tested in large scale pilots in the Smart City Lighthouse projects. The testing results could potentially provide valuable input to the Standard Developing Organisations working on smart cities standards.
- Roll out of replicable smart city solutions on a large scale need large investments and we will be looking at the different funding mechanisms available and streamline the investment process.
- There is considerably more to do in this area to exploit and blend different financing mechanisms.

Doncho Barbalov, Sofia Deputy Mayor, provided the closing speech:



- Sofia is a follower city in the SmarterTogether consortium.
- The process also raised the question for Sofia as to what smart meant for us. Smart means digital for many people, which is partially true, but is not sufficient.
- ‘Smart city’ is important for Sofia’s citizens – and we must engage them to ensure that they have a clear understanding of the meaning of smart city in terms of better services in specific areas of mobility, energy, digital, environment, and jobs. We seek an inclusive process to develop our plans for Sofia.
- The Mayor of Sofia looks forward to welcoming you to Sofia for the 2018 General Assembly.

KEY EVENT TAKE-AWAYS:

- 1** We have several projects and pilots in the pipeline.
- 2** The Commission is clearly offering support to the EIP.
- 3** We look forward to your contribution to the “Towards a Joint Investment Programme for European smart cities” paper and roadmap, available shortly on the EIP-SCC website.
- 4** We look forward to celebrating the first scaling-up investments in Sofia.



SOCIAL MEDIA ACTIVITIES

The hashtag #SCCGA17 was widely used on the day of the General Assembly 428 tweet, 1048 retweets and 273 individual users interacting with the hashtag. The hashtag was also trending throughout the day in Belgium and Europe.



@EUSmartCities Twitter statistics

GA Comparison	2016	2017
Impressions	55200	67200
Retweets	22	400
Likes	197	320
Link Clicks	38	98

Organic Impressions
68.078

Tweets
58



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