The EIP-SCC General Assembly kicked off with an informal Marketplace Breakfast (from 8.30 – 10.00am), involving 160 people representing industry, cities, and investor communities, and addressing 17 different topics. The purpose was to agree practical actions that will accelerate the financing at scale of bankable smart city projects.
Marketplace Breakfast

Marketplace Breakfast Objectives

1. For cities, industry, investors and other players with experiences in investing in Smart Cities solutions to meet and share their interests, views and businesses
2. Consolidate some well-advanced opportunities in terms of moving them closer to the market and certainly understanding what steps will shift these to action in the market
3. Deliver practical next steps that can accelerate the financing of projects at scale

Table Discussion Process

Specific roles were set to structure and support a productive discussion

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<th>Chair</th>
<th>Facilitator</th>
<th>Expert(s)</th>
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| • ‘Owns’ the discussion and is accountable to ensure solid output  
• Ensures balanced contribution | • Ensure the template is legibly completed as a final output (& may use flip chart to help capture additional and ‘in-process’ points / diagrams  
• Checks with chair and participants to ensure points are adequately captured | • Tables may have 1-2 experts on the subject, invited early on to elaborate on key points |

Generic Agenda

• Chair briefly introduces the Topic; Key Roles; and desired Output
• ‘Tour de Table’ introduction
• Expert(s) pick up on the Chair’s points and add colour, context, examples, ideas
• Chair, Expert(s), & Facilitator stimulate discussion and steer towards specific output. (i.e. new projects; specific follow-up actions; key challenges etc)
• Chairs (with help of Facilitator) reviews the Template content with participants

Output Template

A common template captured key points from the discussion:

- Principal Ideas & Outcomes from the Discussion
- Challenges to Overcome to Stimulate Cross-Sector Collaboration & Scale Investment
- Practical Next Steps

Common Themes Emerging

A number of common messages emerge from most table discussions. These are not new; however, they present vexing challenges, needs, and opportunities for the market to address:

- Financing – of good ideas to get them established; and of scale implementations
• ROI / Business Models – demonstrating financial attractiveness of solutions, and constructing (innovative) business models that make solutions work, at scale
• Alignment of financing – between multiple types of investor
• Use Cases – the need for very practical examples to engage and communicate
• Value Chain Mapping – of the steps in the chain and actors involved, to support new thinking
• Interoperability / harmonisation of solutions – open solutions that can be easily replicated
• Guidance & Standards – much exists; application will build confidence and de-risk solutions
• ‘Convening’ – city hall, governments, and investors can all play important roles to condition the market and incentivise greater productivity
• Demand Aggregation – an opportunity to achieve economies of scale, and certainty
• Inclusiveness – geographically, and in terms of city size (not leaving small cities behind)
• Knowledge – capture sharing, and capacity building
• The need to work across silos – within sector and across sectors / professions
• Mind-set change that is required

Forward Plans

These notes will be built into Action Cluster / Initiative roadmaps, and the more common or priority ones will be incorporated into the “Towards a Joint Investment Programme for European Smart Cities”
Table 15: Building Confidence & Smart City Roadmap

Leadership sponsors, joined-up officers, plans, sufficient funds, the right capacity, community and local businesses all behind it...all vital and non-trivial challenges. However, 40 Follower cities share that same ambition: to develop a compelling Roadmap. What can strengthen the collective response?

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<td>Simona Costa</td>
<td>Georg Houben</td>
<td>Judith Borsboom-van Beurden</td>
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<td>Feilim O’Connor</td>
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Participants: Valerie Bahr (Steinbeis – Europa – Zentrum); Sebastian Marx; Miimu Airaksinen (VTT); Anya Baum (Keryx Group); Silke Cuno (Project Coordinator); Albert Edman (City of Umea); Sebastian Marx (Head of Gothenburg); Mats Jonsson (Sustainable Business Hub)

What are the factors slowing down the market uptake? How can these issues be solved – are there solutions?

- The planning is at an early stage while the market uptake is at the very late stage, so they must be considered separately. However, municipalities are not discussing such element since they firstly must fight against each other for their own budget. In setting-up a smart city the finances and the resources are the main barrier that must be faced by municipalities (so the SILO’s). The key point is to convince mayors to start projects since they always ask what is the return on investment in setting up a smart city.
- One actor that should be considered from the beginning as a target should also be the service provider.

So, to summarize what has been said so far: even before the actual planning starts, the level of political, mayors, but also citizens commitment, becomes central. If the political level gets the support of the citizens it is much easier to reach out companies or whomever is implementing a project. Moreover, every kind of service providers and businesses, either SME’s or big companies which are
going to participate need to be innovative, very flexible, and to develop new business models. Of course, the political scene setting can start such projects just if citizens want these developments and this sustainability in policy. It is also important to commit the civil servants.

- Sebastian Marx (Gothenburg): how can we break-down the silo’s? there is always the problem of resources and how to obtain and reallocate them. What we have to look for is the cultural point of view, so how to get the culture at the officials level to actually work on innovation and especially smart cities as part of an innovation program. Officials must therefore first understand what is innovation, how to use it, and try to change their mind-set accordingly. In order to change the mind-set in Gothenburg we usually organize meeting and workshops in order to facilitate the knowledge transfer, whereas the commitment of the mayor is a key element to canalize resources for Smart City uptake and innovation in general. Another point is the risk-taking: it is always difficult for municipalities, at least in Sweden, to take a lot of risks because it is not their role to invest in high-risk projects on behalf of the citizens. In addition to that, citizens want clean air, kindergartens, so they do not care about a city being smart as long as services are effectively functioning. Hence, it must be explained to them that in order to meet their needs a city has to become smart and why this step is necessary.

- The commitment can stem out from showing to the citizens what are the benefits for them and for the city. That’s the way in which commitment is forged.

- Another aspect to be taken into account are the cultural differences between cities. Cities compete, but it is more of a localized competition between neighbouring cities, not between cities of different countries.

What should policy makers do to provide the right preconditions for effective public-private collaboration?

- In the North usually, the Governments take a lot of risks, then there is no need to have the collaboration of a lot of operators because it’s all under the umbrella of the local Government.

- Public procurement rules play an important role in promoting public and private participation. In most of the cases, lower cost public procurement companies must be chosen and so, for this reason, is quite difficult to have the innovation uptake. That’s why projects on pre-commercial procurement can support and help innovation. Often public authorities at the local level fight against rules, regulatory aspects. Regulation should be a supporting and not contrasting element for innovation.

- Since last year the European Commission has a new regulation in place about cross-border public procurement.

- The citizens ownership impacts the planning, it is important to communicate correctly to them what municipalities want to do, otherwise this could be the end of the project from the very beginning.

The Guidance package will be finished by the end of this year and will be presented at the next General Assembly. We are looking for cities interested in being testing samples of this guidance package in order to do the last adjustments, and set-up a link between lighthouse and their follower cities or additional cities interested in the Smart City process uptake.