Debate on the Smart Cities and Communities Initiative
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Climate Alliance contribution: public consultation on the Smart Cities and Communities Initiative

**Introduction by**

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**Smart Cities Initiative: Objectives, priorities and next steps**

The Smart Cities and Communities initiative will be launched this year as a continuation of the CONCERTO funding programme. The Smart Cities initiative will support a limited number of fairly large cities and regions taking pioneering measures to progress towards ambitious climate goals through sustainable use and production of energy. This will require systemic approaches and organisational innovation, encompassing energy efficiency, low carbon technologies and the smart management of supply and demand. In particular, measures in the fields of buildings, local energy networks and supply technologies will be funded. The local authorities involved in the Covenant of Mayors will be mobilised around this initiative to multiply its impact.

**Discussion with the member cities of Climate Alliance:**

**Questions, concerns and suggestions**

The Covenant of Mayors initiative has become the single most important initiative for European cities and towns in the field of climate and energy. More than 2500 mayors have committed to reduce the CO2 emissions within their territories via implementing Sustainable Energy Action Plans. The Covenant of Mayors has become a unique movement that is unanimously endorsed by all the EU institutions. This initiative has finally shown that local authorities are in the heart of the main energy challenges that the EU is facing.

Taking into account the achievements of the Covenant of Mayors initiative, it is imperative that the Smart Cities will add value to the efforts already made by complementing and supporting the work of the Covenant of Mayors signatories. The Smart Cities initiative could provide a stronger technological framework by demonstrating – and opening markets – to innovative low carbon and efficient energy solutions.

However, many local authorities are currently facing the dilemma of how to fund their day-to-day work and cover the running costs of their services. For example with a help of European and other funding schemes trams and tramways have been financed. However, sometimes after funding technology, the maintenance of the system can become difficult to fund. As the funding needs are currently very high, the Smart Cities and Communities initiative can contribute by giving some solutions to the situation. However, it is crucial that the objectives, scope and the expected impacts of the funding scheme are well defined, and that the funding is used in an efficient way.
Budget and scope

CONCERTO initiative has been criticized because it has funded isolated projects. Smart Cities should fund cities that already have a systematic approach for reducing CO2 emissions. It should fund the application of new technologies (in a broad sense) in cities. These technologies should be integrated in the existing city plans, and therefore Sustainable Energy Action Plan (or similar) should be a prerequisite for funding.

The funding per city will start from 3 million euros, and the partnership will need to include entities (cities, industry, research institutions) from 3 European countries. Up to 20 projects will be funded this year. Therefore the Smart Cities and Communities Initiative will fund a small number of lighthouse projects – and it cannot be considered as a mainstream solution for the current funding ‘deficit’ among local authorities.

Whilst the funding will be given specifically to technological innovations, there is a risk that the funds are too much ‘directed’ to industry. It is important to highlight the word ‘application’ and ensure that new organizational innovations can also be financed.

The time frame of the Smart Cities and Communities initiative will be 2010-2020 and the funding period of projects is expected to be 5 years. 5 year time span was considered short within the CONCERTO initiative for stimulating investments and executing them. As the Smart Cities initiative is even more ambitious than CONCERTO, it will be a challenge to realise the objectives within the time frame. To ensure the best results and efficient use of funding within the Smart Cities and Communities Initiative a two-step approach was proposed: 1) Funding projects that have potential but are not yet ‘ready’, for example by funding a testing phase. 2) After the first phase, funding the real innovative actions with a broader implementation of projects / actions.

Priority areas of work

The new European Energy Efficiency Plan raises the requirement that public authorities should refurbish their existing building stock 3% per year. This will create a considerable burden also for the local authorities. Therefore building sector is clearly one of the target areas in which the Smart Cities and Communities Initiative should concentrate on.

Urban development and planning was also emphasized repeatedly as a focus area of work: development of a compact city, efficient and integrated transport planning, and low-energy districts. Planning is the backbone for achieving the new more energy efficient city based on local and renewable energy supply.

A 100% supply with renewable energies in the middle of this century will need a comprehensive transformation process. Therefore the Smart Cities Initiative should concentrate on issues that the communities are responsible for. As the planning authority the main focus should be on the development of scenarios of future infrastructure for decentralised heating systems (under consideration of decreased heating demand) and the role of electricity from renewable energies beyond the year 2020. The development of such scenarios has to be accompanied by a wide communication process of relevant stakeholders, politicians, administration staff and the civil society. [Statement from the City of Hannover, Germany]

With the “Smart City Wien” Initiative, Vienna wants to take the opportunity to position itself as a leader in research and technology in Europe. City of Vienna is project leader of the “Smart City Wien” project, proposed for the Call “Smart-Energy Demo - Fit for SET” program by the Austrian Climate and Energy. The project includes three stakeholder forums. And the expected outputs include: Vision 2050
Roadmap 2020 / Action Plan for 2012-2015. A particular asset of the “Smart City Wien” project is its focus on the spatial development of the city oriented towards energy efficiency and climate protection objectives. In this initiative Vienna acts as an urban test site for future demonstrating sustainable and climate-friendly (urban) lifestyles. [Extract from the statement of Vienna, Austria]

**Stakeholder Platform**

A Call for Tender to run the Smart Cities Stakeholder Platform has already been launched, even if the consultation period for the Smart Cities and Communities initiative is still open. It goes without saying that the recommendations received via the consultation should be reflected within the Platform. It is also necessary to clarify the objectives of the Platform – including the expectations of the planned working groups. The Platform should be complementary to the work already carried out within the Covenant of Mayors Initiative (thematic workshops, discussion groups etc.).

The Climate Alliance of European Cities with Indigenous Rainforest Peoples is the largest European network of local and regional authorities dedicated to climate protection. Climate Alliance represents more than 1,500 local authorities in 17 European countries. When becoming a member of Climate Alliance, cities and municipalities commit to the ambitious target to reduce their CO2 emissions by 10 % every 5 years and to halve them by 2030 (baseline year 1990). Climate Alliance provides support to the municipalities by fostering exchange of experience, developing methods and tools for cities to set up and implement climate action plans and organising campaigns to involve citizens directly in the design of a sustainable energy future.