

The Intelligent Cities Challenge (ICC): driving the green and digital recovery and societal resilience

Cities cover only 3% of the land on Earth, yet they produce 80% of GDP, account for 80% of energy consumption and 72% of global greenhouse gas emissions. Cities will be home to almost 85% of European citizens by 2050.

Cities are at the frontline in tackling the biggest challenges of the twenty-first century¹:

- The Covid-19 pandemic triggered a new reflection about a future that should be greener, putting people at centre-stage and relying on science and technology.
- Mitigating climate change and delivering on the new climate ambitions; addressing environmental issues such as air and water quality, affordable and clean energy, smart mobility and natural disaster response
- Unemployment, gloomy business environment, social exclusion, inequality.
- Leveraging the use of advanced technology to solve the biggest challenges, while addressing the issue of technological divide.

Cities combine density, diversity and proximity all necessary elements to support innovation and growth. City centres are often where the social life takes place and create community engagement.

They can emerge stronger from the crisis as the centers of economic and social resilience and innovation. But this will need conscious policy choices for a green, digital and inclusive recovery.

The biggest crises also entail huge economic opportunities ahead. Covid-19 dramatically accelerated the digital transformation of our society and our economy. The crisis could trigger the restructuring of supply chains, creating demands for new business models and skills at local level. Cities need to invest in science and the technologies that will deliver the climate-neutral, modern and socially responsible future.

DG GROW's 100 Intelligent Cities Challenge Initiative supports 136 smaller European and international cities in using cutting-edge technologies to lead their green, digital and socially responsible recovery. It mobilises cities to deliver Local Green Deals, support the green and digital transition of the local businesses, create new jobs, reskill their workforce, launch local renovation and affordable housing programs, support the New European Bauhaus and local supply chains, while fostering citizen participation and wellbeing. The ICC targets medium-sized cities which have less capacities than capital cities. ICC also expands to 11 non-EU cities (5 mentor – Singapore, Toronto, Busan, Phoenix and Medellin- and 6 core cities -including targeted support to African cities).

ICC is part of a longer journey² with the aim to speed up the digital and green transformation of SMEs and industry, through policy intervention at the level of cities.

¹ According to a recent WEF report, growing numbers of city leaders are taking action to reduce their carbon footprints, scale-up renewable energy solutions, harness the digital economy, absorb and protect migrants, and reduce inequality. Cities concentrate the majority of foreign direct investment and are the drivers of innovation and productivity.

² The key milestones of the ICC process are:

- The [Strategic Policy Forum on Digital Entrepreneurship](#) (2014 – 2016);

Cities and their local stakeholders receive one-to-one strategic guidance and expert support, access to advisory services and city networks and capacity building tools.

ICC focuses on 5 thematic priorities, in-line with the world’s biggest challenges and the key policy priorities of the Commission:



The ICC supports the following actions:

1. **Local Green Deals (LGD):** to deliver the EU Green Deal on the ground, direct the local economy towards a sustainable pathway and create new jobs
2. **Reskilling and upskilling:** support the need for quick structural and cross-sectoral mobility of the workforce to new jobs, e.g. green jobs, healthcare, and tech jobs.
3. **Renovation and the New European Bauhaus:** prepare cities for a green future, combining sustainability, energy efficiency, aesthetics, culture and social inclusions.
4. **Tech4good initiative:** create a digital marketplace for innovative tech solutions designed to advance social and environmental causes

Governance:

An ICC Advisory Board with high-level international experts on advanced technologies and urban transformation, has been set up mandated to advise the Commission on latest global urban recovery trends, technological and scientific developments and potential high-impact actions; steer the direction of ICC and beyond; maximize synergies with relevant European and international initiatives and dissemination of outcomes. The first

- The “[Blueprint for cities and regions as launchpads for digital transformation](#)”
- The [Digital Cities Challenge](#) (€2.7 million COSME action 2017–2019)
- A [Digital Cities Challenge Mayors Summit](#) (December 20218) and signature of a [Declaration of Cooperation for Digital Transformation and Smart Growth](#)
- The [Intelligent Cities Challenge](#) (€7.5 million COSME action 2020–2022, renewable for another 3 years)
- The [ICC Mayors Summit](#) (October 2020) where 130 mayors confirmed their political leadership to build greener, digital, and more resilient cities, through ICC.

meeting took place in November 2020 and was attended by relevant Commission services and the Committee of the Regions.

Furthermore, full collaboration is ensured with other EC services (REGIO, RTD, CNECT, ENER, CLIMA, JRC, ENV), and programs (e.g. the Horizon 2020 Mission on Climate-neutral and smart cities, NextGenerationEU/RRF, Digital Europe Programme, Cohesion Funds, Invest EU), EU and international institutions, the European Parliament, the Committee of the Regions, the Covenant of Mayors, ICLEI, WEF, UN-Habitat, OECD.