

**Public consultation on Smart Cities and Communities**  
***Smart Cities & Communities:***  
***In support of Covenant of Mayors Signatories***  
***Energy Cities' Position Paper – 18<sup>th</sup> May 2011***

*Energy Cities takes note of the Public consultation on Smart Cities and Communities. However, the online questionnaire focuses mainly on technical details. It doesn't really provide respondents with an opportunity to express their views with regard to the funding principles, strategy and objectives of this programme, nor on its potential development and impacts. In addition, this public consultation is launched in parallel with the Call for Tenders to run the Smart Cities Stakeholder Platform and the timeframe between the Public consultation deadline and the launch of the Smart Cities Call for Proposals foreseen in the next period leaves little hope for any suggestions to be actually taken into account.*

***In light of this, Energy Cities provides this position paper separately to complement its response to the online questionnaire.***

By strongly supporting the **Covenant of Mayors** initiative, with over 2,600 local authorities **politically and democratically** committed to the EU Energy and Climate objectives, the European Commission has shown a new image that encourages bottom-up initiatives linked to EU objectives. Local authorities have created an unprecedented movement that is unanimously endorsed by EU institutions. This movement is theirs. The President of the European Commission, Jose Manuel Barroso himself has called for its extension to other policy areas, a demand which is supported by the Committee of the Regions too. It is now unanimously acknowledged that local authorities are at the heart of the main energy and climate challenges the EU is facing. The Fukushima accident gives greater relevance to this issue: Europe needs a more decentralised and democratic energy policy.

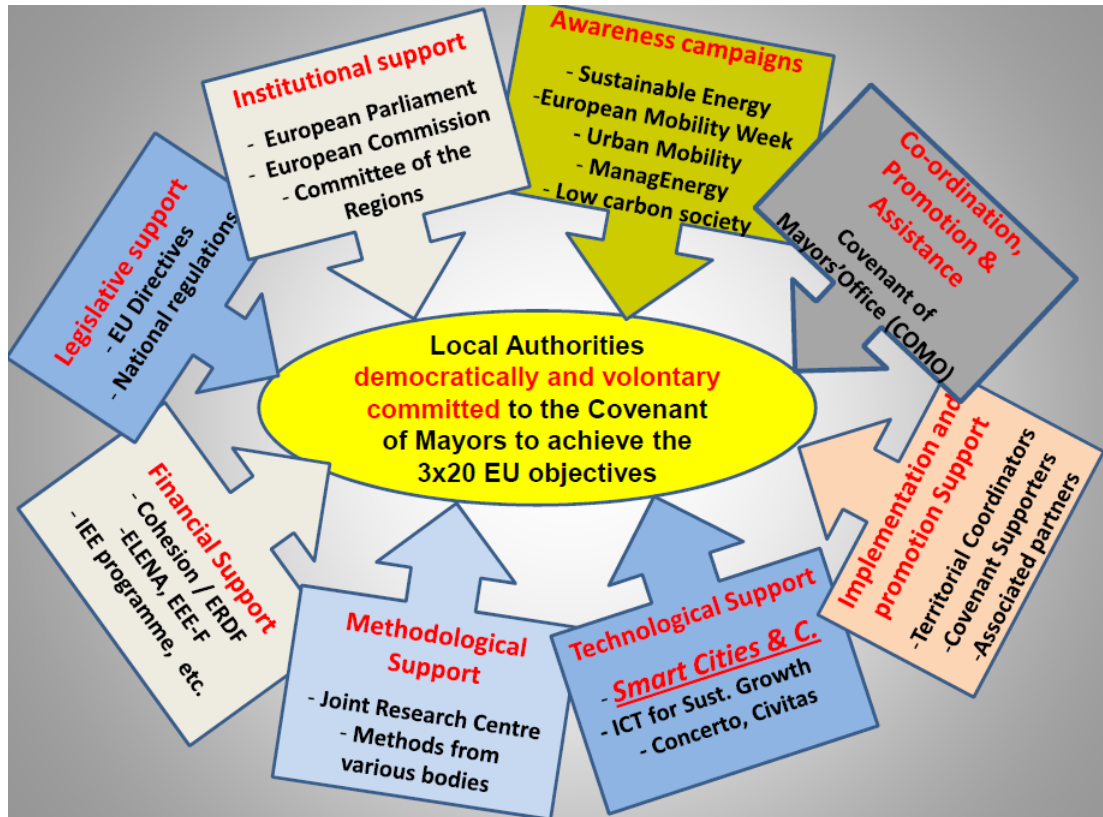
**The Covenant of Mayors needs all the support it can get**

So far the number of practical actions undertaken at the local level is huge, but, compared to the potentials it still remains insufficient. Therefore, alongside a strong **institutional framework and support, committed cities and regions need** a facilitating legislative, financial, methodological, promotional, networking and technological environment to fulfil their commitments. On the other hand, cities and regions recast their local policies, create more local jobs and improve the quality of life of their citizens, thus helping the EU and Member States to meet their 3x20 objectives. Far beyond a collection of dispersed actions and techniques, better local governance and a holistic territorial approach to sustainable energy is the key component of success. That is what the *Covenant of Mayors* is all about.

A growing number of European policies are progressively forming a **legislative framework** where the role of national governments will be crucial to (hopefully) facilitate the work of local authorities. A **financial framework** is gradually being set up, through ELENA (and its variants) and several instruments, including the Cohesion Policy Funds. A **methodological framework** has been established, especially with the Joint Research Centre of the European Commission. **Implementation and promotional support** is on-going thanks to city networks at European, national and regional levels, provinces and regions, national and regional agencies, and very soon industrial and civil associations.

## Technological dimension

The proposal to complete this picture with a stronger **technological framework** is much appreciated. By experimenting / demonstrating innovative low-carbon and efficient energy solutions as integrated as possible in the local contexts, *Smart Cities and Communities* could offer a precious technological support to local authorities committed to the *Covenant of Mayors* (see a broad picture below).



Therefore **Energy Cities** welcomes *Smart Cities and Communities*, and will actively contribute to its success, for instance by promoting the upcoming Call for Proposals and accompanying its members in their project preparation and implementation.

**At the same time, Energy Cities would like to draw special attention to the following aspects:**

### Budget, size and number of cities:

- The €500 million budget foreseen for *Smart Cities and Communities* (€50 million for the 2011 Call) might sound like a lot, especially compared to other grant programmes managed by DGENER. But considering that the Cohesion Policy budget makes €200 million available every working day or that one kilometre of tramway costs €25 million, the *Smart Cities and Communities* budget to be spent over a 7-8 year period would most likely have a limited "quantitative" impact on the ground.
- As a consequence, *Smart Cities and Communities* will address a reduced number of projects focused on the integration of new technologies and systems that will have to be carefully selected and implemented. This programme will serve as a "qualitative" lighthouse but not as an extended grant programme to support local authorities in fulfilling their commitments. The communication from the Commission to cities ought to be very clear in order to avoid false expectations and disappointment.
- There is also a risk to address only the largest cities. This potential problem can be solved if the upcoming Call for Proposals clearly supports the deployment of technologies and systems that could be implemented in municipalities of various sizes.

- In any case, projects should also be selected on the basis of the commitments of local authorities to the *Covenant of Mayors*.

### **Relation between Smart Cities and Communities and the Covenant of Mayors**

In the presentation of the Consultation and/or in the Invitation to Tender “*Smart Cities Stakeholders Platform*”, there are several references to the *Covenant of Mayors*. However, when going into details, *Smart Cities and Communities* seems to compete with rather than complement the *Covenant of Mayors* movement, which is not purely a voluntary commitment by cities, but a holistic initiative with sound methodological guidance and institutional monitoring, a stakeholder platform based on multi-level governance.

#### ***Strategic dimension***

- On one hand, it is mentioned in the public consultation document that “*As demonstrated by the Covenant of Mayors, a clear overall commitment by the Covenant signatories to reduce the CO<sub>2</sub> emission by 2020 by at least 20%, through development and implementation of their Sustainable Energy Action Plans (SEAPs), has brought together diverse stakeholders at local level in more than 2,200 cities. The territorial approach of the Covenant has led to long-term integrated planning and the development of practical solutions which, together with sharing of experience at the EU level, ensures the overall coherence of the initiative*” and “*The Smart Cities and Communities Initiative therefore intends to build on the efforts that European cities are making or have already made to draw up comprehensive, long-term urban sustainability plans such as SEAPs. Innovative projects applying for EU funding should be embedded in such plans*”. Energy Cities fully supports such an approach that aims at creating coherence and avoiding overlapping.
- On the other hand, the Commission states that *Smart Cities and Communities* would become “*the most appropriate means to make the production and use of energy in cities more sustainable and efficient*” (as mentioned in the EC communication “*Investing in the Development of Low Carbon Technologies*” and recalled in the public consultation document). Saying that a €500 million instrument would be “*the most appropriate means*” shows a very low ambition for cities and a huge underestimation or ignorance of the problem.

#### ***Practical activities***

To avoid confusion, dispersion and misunderstanding, some activities should be clearly integrated within the *Covenant of Mayors* Office activities, for instance:

- “*Examples of excellence*” could be integrated with the “*Benchmarks of Excellence*”, possibly through the creation of a dedicated category.
- Exchange of experiences (“*cities can learn from each other*”) could be perfectly managed via the *Covenant of Mayors* Thematic Workshops.
- The dissemination of technological solutions could benefit from the extended gathering of stakeholders within the *Covenant of Mayors* and its performing communication tools (website, events, etc.).

***Energy Cities reaffirms its position that Smart Cities and Communities will live up to expectations only if it is clearly designed as the technological contribution to the Covenant of Mayors success in an unequivocal way.***

### **Towards a more ambitious financial instrument**

Beyond the field of this consultation, Energy Cities relays the need of cities for a much more significant financial instrument at the European level, especially through the Cohesion Policy, which could catalyse national, regional and local funds from public and private actors. We would like to make sure that *Smart Cities and Communities* doesn’t jeopardise the definition of such an ambitious policy, at the scale of the problem at stake.

***Energy Cities will keep a watchful eye on the above points and will soon publish its position on the Multi Annual Financial Framework.***

**About Energy Cities:**

Energy Cities (<http://www.energy-cities.eu>) is the European Association of local authorities inventing their energy future. The Association created in 1990 represents more than 1,000 towns and cities in 30 countries. Energy Cities leads the Covenant of Mayors' Office (<http://www.eumayors.eu>).

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