# Smart City Financing by the SMO & VNG International

## **How does the EU see smart cities?**

**This document provides a brief overview to cities planning to acquire EU funding for their smart city projects. The overview presents the general criteria to successfully apply for EU funding with smart city projects, and also provides an outlook for the most promising opportunities in the 2021-2027 period.**

## **1. General funding policy of the EU concerning smart cities**

## **1.1. EU definition of ‘smart city’**

There is **no universal definition** of the term ’smart city’. Originally, it was interpreted in a narrow way (ICT-enhanced city), but today it is covering a more holistic approach, emphasizing the participatory creation of sustainability, quality of life, urban well-being, societal challenges, energy efficiency, urban environment, and human health. This concept also **provides opportunities to smaller and less developed cities** that may not necessarily be able to use the latest info-communication technologies, but still introduce smart solutions and potentially become smart cities.

The European Commission’s current definition is as follows: **Smart cities are cities using technological solutions to improve the management and efficiency of the urban environment, for the benefit of its inhabitants and business.**

The **OECD also defines smart cities as an interface between social and technological dimensions**, though it narrows down the scope of technological innovation to the field of digital solutions: “Initiatives or approaches that effectively leverage digitalisation to boost citizen well-being and deliver more efficient, sustainable and inclusive urban services and environments as part of a collaborative, multi-stakeholder process” (OECD, 2019a).

The definition of the EU also lists **7 possible areas of smart city solutions** (hereunder cross referenced with selected thematic clusters of the VNG-SMO-EUQuest training):

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Possible smart city applications as seen by the EU** | **Energy** | **Mobility** | **Digital services** | **Tourism** | **Capacity building** |
| Use of digital technologies for better resource use and less emissions | ✓✓ | ✓ | ✓✓✓ |  | ✓ |
| Smarter urban transport networks | ✓ | ✓✓✓ | ✓✓ | ✓ |  |
| Upgraded water and waste facilities | ✓ |  | ✓ |  |  |
| More efficient ways to light and heat buildings | ✓✓✓ |  |  |  | ✓ |
| More interactive and responsive city administration |  |  | ✓✓✓ | ✓ | ✓✓✓ |
| Safer public spaces |  | ✓ |  | ✓✓✓ |  |
| Meeting the needs of an ageing population |  | ✓ | ✓ | ✓ | ✓ |

## **1.2 Funding principles and key criteria**

The EU’s annual budget is a mere 1% of the total GNI of member states. It is up to national public spending to bring benefits to citizens, increase vitality and durability of national economies through public services, education and infrastructure; offer internal and external security; respond to society’s needs across various policy fields.

EU funding has to **fill the gaps where community action is more effective that national actions**. A key priority is the **protection of taxpayers’ money**: It makes sure that every euro is spent in line with the rules and generates added value.

As smart city solutions are aiming **sustainable and efficient investments by nature**, project applications aiming to introduce smart solutions have to be carefully presented and justified. It is very important to consider **state aid** and **revenue generating** aspects, the **capacities of the applicant(s)**, as well as to highlight the **specific added value** of community expenditures requested.

## **State aid rule**

The European Union law generally prohibits state aid to ‘undertakings[[1]](#footnote-1)’, based on the Treaty on the Functioning of the EU. The reason for this is that public aid granted to an undertaking may give a selective financial advantage, which may **distort competition and the functioning of the internal market**. Such cases are subject to analysis and prior approval (with specific exemptions and simplifications allowed by the General Block Exemption Regulation - GBER).

## **Revenue generation**

For the sake of effective use of public resources, the EU avoids over-financing of projects, thus **investments that are financially viable shall not receive funding**. In any case, **net revenues** (generated either during implementation or after completion) **are to be deducted from the funding**.

## **Institutional capacity**

* Applicants must have **stable and financial sufficient resources** to successfully implement the projects and contribute their share. Organisations participating in several projects must have sufficient capacity to implement all these projects.
* Applicants must have the **know-how, qualifications and institutional resources** to successfully implement the projects and contribute their share (including sufficient experience in projects of comparable size and nature).

## **Added value**

In order to grant funding, the EU requires a **clear presentation of valid and justified added value generated by the planned project**. The added value may be the result of different factors, including coordination gains, legal certainty, greater effectiveness, complementarities, etc. Beyond a strictly economic interpretation, the added value should also contain a visionary aspect. In any case, the measurement – and also the convincing justification – of the potential added value of a project is a challenge.

The **EU uses the following criteria** when determining added value:

* Effectiveness: where EU action is the only way to get results to create missing links, avoid fragmentation, and realise the potential of a border-free Europe.
* Efficiency: where the EU offers better value for money, because externalities can be addressed, resources or expertise can be pooled, an action can be better coordinated.
* Synergy: where EU action is necessary to complement, stimulate, and leverage action to reduce disparities, raise standards, and create synergies.

Specific features of a project development process **highlighting the value adding potential of smart city projects** include:

* **Innovativeness:** A project offering original, advanced, state-of-the-art solutions to urban challenges is more likely to be funded
* **Transferability potential:** A specific value lies in the ability of the project to transfer the solutions developed (either rolling out to further locations or scaling up to other fields of application).
* **Benchmarking:** By scanning relevant initiatives within and outside the EU, partners of a planned smart city project can find and build on synergies with projects already funded, borrow ideas from successful examples, as well as distinguish themselves from other similar projects.

## **2. EU funding options for smart city projects**

## **2.1 General layout of EU funds**

The EU's budget for the period 2021-2027 is composed of a **Multiannual Financial Framework** (MFF, 1.211 billion EUR) and the so-called **Next Generation EU** temporary recovery instrument (807 billion EUR). This latter instrument aims to facilitate the social and financial recovery from the Covid-19 pandemic.

## **Multiannual Financial Framework**

The EU sets the limits of its spending in the multiannual financial framework, the EU’s long-term budget for the next 7 years. In this way, the EU **secures the resources for its political priorities, like digitalisation and green deal**. The budget also ensures room for flexibility, thus enabling the EU to respond to unforeseen circumstances.

While in the 1980s, the bulk of the EU budget went to agriculture and, as of the 1990s, to cohesion, **now an equal** **1/3 share goes to programmes directly managed at EU level** (so called new and reinforced priorities), as shown in the chart on the next page:

* Cohesion policy: 372,6 billion EUR
* Common Agricultural Policy (CAP): 378,5 billion EUR
* New and Reinforced Priorities: 377,3 billion EUR

Source: “The EU’s 2021-2027 long-term Budget and NextGenerationEU - FACTS AND FIGURES” (Publications Office of the European Union, Luxembourg, April 2021)

The **general thematic allocation of the MFF** is as follows:

* Cca. 50% on new priorities:
	+ Research and innovation (Horizon Europe)
	+ Fair climate and digital transitions (Just Transition Fund; Digital Europe Programme)
	+ Preparedness, recovery and resilience (Recovery and Resilience Facility; Civil Protection Mechanism, EU4Health)
* Cca. 30 % on fighting climate change, based on European Green Deal, a major investment plan aimed at climate neutrality by 2050.
* Cca. 20 % on digital transformation (supercomputing, AI, cybersecurity, digital skills, wider use of digital technologies).

## **Next Generation EU**

The temporary recovery instrument facilitating the social and financial recovery from the Covid-19 pandemic. Member States prepare **EU Recovery Plans** according to the following criteria:

* Spend at least 37% of the funds on green investments;
* Allocate a minimum of 20% on digital expenditures;
* Focus on **national level, large-scale, well-prepared projects**, with priority to the following seven ‘flagship themes’:
	+ **Power up** - Frontloading future-proof clean technologies, and accelerating the development and use of renewables, with focus on hydrogen
	+ **Renovate** - Improving the energy efficiency of public and private buildings.
	+ **Recharge and Refuel** - Promoting future-proof clean technologies to accelerate the use of sustainable, accessible and smart transport, charging and refuelling stations and extension of public transport.
	+ **Connect** - Fast rollout of rapid broadband services to all regions and households, including fibre and 5G networks.
	+ **Modernise** - Digitalising public administration and services, including judicial and healthcare systems.
	+ **Scale-up** - Increasing the European industrial data cloud capacities and the development of the most powerful, cutting edge, and sustainable processors.
	+ **Reskill and upskill** - Adapting education systems to support digital skills and educational and vocational training for all ages.

A strong role is assured for cities, with local authorities being considered as partners and mandatory consultation parties. At the same time, the program is reserved for large-scale projects of national significance, **participation options of small and medium sized cities seem limited.**

## **2.2 Cohesion policy funding opportunities for smart cities**

## **General funding priorities of the ERDF and the Cohesion Fund**

The ERDF finances programmes in **shared responsibility between the European Commission and national and regional authorities in Member States**. The Member States' administrations choose which projects to finance and take responsibility for day-to-day management.

Funding priorities in 2021-2027 include 5 key areas (so-called policy objectives, POs). The **development of** **smart cities is not explicitly addressed** in these priorities; it is more a **cross-cutting theme**, applicable to the majority of budget headings and funding priorities

Hereunder we list the **5 key funding areas (POs)**, highlighting those **specific objectives (SOs) that are especially relevant for smart city projects**:

* **PO 1: More competitive and smarter**, through innovation and support to small and medium-sized businesses, as well as digitisation and digital connectivity:
	+ SO 1.1: Enhancing research and innovation capacities and the uptake of advanced technologies;
	+ SO 1.2: Reaping the benefits of digitisation for citizens, companies and governments;
* **PO 2: Greener**, low-carbon and resilient:
	+ SO 2.1: Promoting energy efficiency measures;
	+ SO 2.2: Promoting renewable energy;
	+ SO 2.3: Developing smart energy systems, grids and storage at local level;
	+ SO 2.5: Promoting sustainable water management;
	+ SO 2.6: Promoting the transition to a circular economy;
* **PO 3: More connected** by enhancing mobility and ICT connectivity:
	+ SO 3.1: Enhancing digital connectivity;
	+ SO 3.3: Developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility (including cross-border mobility);
* **PO 4: More social**, supporting effective and inclusive employment, education, skills, social inclusion and equal access to healthcare, as well as enhancing the role of culture and sustainable tourism:
	+ SO 4.1: Enhancing the effectiveness of labour markets and access to quality employment through developing social innovation and infrastructure;
* **PO 5: Closer to citizens**, supporting locally-led development and sustainable urban development across the EU:
	+ SO 5.1: Fostering integrated social, economic and environmental development, cultural heritage and security in urban areas;
	+ SO 5.2: Fostering integrated social, economic and environmental development, cultural heritage and security in rural (and coastal) areas (also through community-led local development).

**Interreg-specific objectives:**

Further to the above POs, Interreg programmes may also choose from two **Interreg-specific objectives (ISOs)**. Though ISO 2 (A safer and more secure Europe) does not include specific objectives directly relevant for smart city solutions, ISO 1 includes such intervention areas. Some of these are relevant for both cross-border cooperation (CBC) and transnational (TN) Interreg programmes:

* **ISO 1: Better Interreg governance**
	+ SO 1: Building institutional capacity of public authorities (only for CBC)
	+ SO 4: Building institutional capacity to manage macro-regional and other territorial strategies (both CBC and TN)
	+ SO 5: Support to democracy and civil society (only TN)

**Thematic concentration of ERDF funding:**

* All regions will concentrate at least 30% of their allocation to greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe (PO 2), and:
	+ More developed regions will dedicate at least 85% of their allocation to the support on a more competitive and smarter Europe (PO 1) and PO 2;
	+ Transition regions: at least 40% to PO 1;
	+ Less developed regions: at least 25% to PO 1.
* All regions will also concentrate at least **8% of their allocation to urban development** that will be delivered through local development partnerships with different tools (up from 5% in 2014-2020).

**Specific funding criteria of the Cohesion Fund:**

* The Cohesion Fund supports investments in the field of environment and trans-European networks in cohesion regions (with a GDP per capita below 90% of the EU-27 average);
* 37% of the overall financial allocation will contribute to climate objectives;
* Funding rate for transition regions (with a GDP per capita between 75-100% of the EU-27 average - all of CR except for Prague) is 60%.

The 3 **most important sources of ERDF-financing for smart cities** include the **national operational programs** (prepared by the Czech government and implemented through national calls for proposals), **Interreg cross-border cooperation programmes** (prepared jointly by the Czech government and the bilateral governmental partner of the given border section, implemented through bilateral calls for proposals for joint cross-border applications); and **transnational Interreg programmes** (prepared and implemented directly by the EU and financing transnational cooperation projects).

## **National operational programs (OPs)**

At least **6 out of the 7 OPs planned by the Czech Republic for the 2021-2027 programming period contain priorities relevant for smart cities**. Though the detailed analysis of these OPs is out of the scope of the current document, and their final contents are available at the time of preparation, hereunder we provide a non-exhaustive list of the most important of these priorities. Please note that funding opportunities will **finally depend on the actual intervention areas of the calls for proposals to be announced** under the specific OPs:

* [**OP Technologies and Application for Competitiveness**](https://dotaceeu.cz/en/evropske-fondy-v-cr/kohezni-politika-po-roce-2020/programy/list/op-technologie-a-aplikace-pro-konkurenceschopnost):
	+ Digitization and development of the internet
	+ Modernizing and streamlining the production, distribution and storage of energy
	+ Increasing the energy efficiency and energy savings
	+ Deploying innovative low-carbon technologies
	+ Effective and thrifty use of renewable energy sources
	+ Introducing modern and highly efficient methods of production, distribution and storage of heat energy
* [**OP Employment+**](https://dotaceeu.cz/en/evropske-fondy-v-cr/kohezni-politika-po-roce-2020/programy/list/op-zamestnanost):
	+ Streamlining public administration for better quality of services
	+ Client-oriented social services
* **OP John Amos Comenius:**
	+ Improving the settings and developing the capacities for research and development
	+ Cooperation and functional interconnection of public administration, the academic, research and business sectors
* [**OP Transport**](https://dotaceeu.cz/en/evropske-fondy-v-cr/kohezni-politika-po-roce-2020/programy/list/op-doprava):
	+ Introducing modern technologies for the organization of transport and reduction of traffic burden
	+ Increasing the utilization and availability of alternative fuels in transport
* [**OP Environment**](https://dotaceeu.cz/en/evropske-fondy-v-cr/kohezni-politika-po-roce-2020/programy/list/op-zivotni-prostredi):
	+ Introducing the principles of a circular economy and resource efficiency
	+ Increasing the energy efficiency and energy savings
	+ Effective and thrifty use of renewable energy sources
	+ Protecting and improving the quality of water and water management
* [**Integrated Regional OP**](https://dotaceeu.cz/en/evropske-fondy-v-cr/kohezni-politika-po-roce-2020/programy/list/integrovany-regionalni-operacni-program):
	+ Development of urban, suburban and regional transport (incl. the rolling stock, transfer terminals, etc.)
	+ Digitization and client-oriented public administration
	+ Cultural heritage and tourism
	+ Community-led local development

## **Interreg cross-border cooperation (CBC) programmes**

The **majority of the territory of the Czech Republic is** **covered by at least one or two of 5 Interreg CBC programmes** (with the exception of the Central Bohemian Region and Prague):

* Czech Republic – Poland (6 CR regions);
* Slovakia – Czech Republic (3 CR regions);
* Austria – Czech Republic (3 CR regions);
* Czech Republic – Free State of Bavaria (2 CR regions);
* Free State of Saxony – Czech Republic (3 CR regions).

At the time of the preparation of the current document, the cooperation programs of these instruments are under development, but the new ERDF and Interreg regulations of the EU provide the framework for the possible funding areas. The **possible intervention areas to be selected by the cooperation programs under policy and Interreg-specific objectives** are presented above.

## **Transnational Interreg programmes**

Several transnational Interreg programs provide funding opportunities to international cooperation of cities and regions. Out of these, 2 are especially relevant for Czech smart cities: the Interreg Central Europe Programme and the Danube Transnational Programme. The Interreg Europe program also supports capacity building projects in areas relevant for smart cities, but its scope (improvement of policies) is far from actual implementation of smart solutions.

Please note that funding opportunities will finally depend on the actual intervention areas of the calls for proposals to be announced in the framework of the programmes. The first call for proposals is expected in October 2021 in case of the Interreg CENTRAL EUROPE Programme, and in the first quarter of 2022 in case of the Danube Transnational Programme.

**Opportunities for smart cities within the Interreg CENTRAL EUROPE Programme:**

The cooperation programme for the period 2021-2027 is structured across four priority axes, where each one has relevance for urban smart solutions:

* Cooperating for a smarter central Europe
* Cooperating for a greener central Europe
* Cooperating for a better connected central Europe
* Improving governance for cooperation in central Europe

Also, the document highlights the program’s specific focus on smart cities, and puts relevant activities into the focus: digital public services, digitalisation-based management of resources and assets, e-culture solutions.

**Opportunities for smart cities within the Danube Transnational Programme**

The programme is funding joint actions and policy exchanges (including development and practical implementation of policy frameworks, tools and services and concrete small-scale pilot investments) in the so-called Danube Region. The cooperation programme will be structured across four priority axes, where each one has relevance for urban smart solutions:

* A smarter Danube Region
* A greener, low-carbon Danube Region
* A more social Danube Region
* A better cooperation governance in the Danube Region

## **2.3 Common Agricultural Policy funding opportunities for smart cities**

## **CLLD/LEADER**

The LEADER Programme was an important scheme in supporting smart solutions in rural areas in the previous financing period. However, the future of the programme is unclear at the time of preparing the current document, and will be subject to country-specific action plans prepared by Member States. Currently, a transitional regulation is in place for the 2021-2022 implementation of the CAP, and the new regulation covering the remaining of the programming period (2023-2027) is still to be prepared. Community-led local development / CLLD-type activities will be funded by ERDF-based programmes (national OPs and Interreg programmes), in line with the 2nd specific objective of Policy Objective 5 (see above).

## **2.3 Specific EU programmes relevant for smart cities**

## **Changes planned for the 2021-2027 period, in favour of smart city projects**

The 3rd part of the MFF, the so-called New and Reinforced Priorities include **numerous programs aligned with main strategic development goals of the EU** (especially digitisation and the European Green Deal). Changes planned for the 2021-2027 period, in favour of smart city projects include:

* In order to support the digital transition, a new funding programme, Digital Europe, is established to promote the large-scale roll-out and uptake of key digital technologies such as artificial intelligence applications and state-of-the-art cybersecurity tools. The digital strand of the Connecting Europe Facility will also get a significant boost in funding.
* In the field of research and innovation, the Horizon Europe programme will benefit from a significant increase once funding on the basis of the EU's recovery instrument becomes available. The programme has been reinforced increasing the funding potential to support innovation in cities. The mission approach also gives priority to a new ambition for climate neutral and smart cities.
* To support the most vulnerable carbon intensive regions in their transition towards a climate-neutral economy, a new Just Transition Fund is created. It will receive funding under both the next long-term budget and the EU recovery instrument.
* The co-financing rates for the LIFE Programme have been increased, making it easier for local authorities to take part in the programme.

There is at least **10 programmes under the New and Reinforced Priorities that will potentially provide funding or other support for smart city projects**. The table below provides an overview of these (presented in more details after the table), estimating their relevance for smart city solutions and the participation potential of small and medium sized cities:

|  |  |  |  |
| --- | --- | --- | --- |
| **Programme** | **Budget in 2021-2027** | **Relevance for smart city solutions** | **Participation potential of small/medium sized cities**  |
| Horizon Europe | 90,1 billion | ✓✓✓ | ✓✓\* |
| Connecting Europe Facility  | 28,4 billion | ✓✓✓ | ✓ |
| InvestEU | 26,2 billion | ✓✓ | ✓✓ |
| Digital Europe  | 7,5 billion | ✓✓✓ | ✓✓✓ |
| LIFE Programme  | 5,4 billion | ✓✓ | ✓✓✓ |
| Creative Europe | 2,4 billion | ✓\*\* | ✓✓✓ |
| CERV (citizens, equality, rights and values) | 1,6 billion | ✓\*\* | ✓✓✓ |
| European Urban Initiative  | 400 million | ✓✓✓ | ✓✓\*  |
| URBACT IV. | not available | ✓✓✓ | ✓✓✓ |
| European Energy Efficiency Fund  | not available | ✓✓ | ✓✓ |

\* These programmes provide opportunities for small and medium sized cities in case they join a cooperation of larger settlements.

\*\* In the case of these programs, the majority of the priorities are not smart city relevant, however, there is at least one specifically interesting priority area.

**HORIZON EUROPE**

Budget: 90,1 billion EUR

The **world's largest funding programme for research and innovation**. Pillars with specific relevance to smart cities include:

* **Global challenges and industrial competitiveness:** focusing on a wide set of policy areas (health; culture, creativity and inclusive society; civil security for society; digital, industry and space; climate energy and mobility; food bioeconomy; natural resources, agriculture and environment).
* **Innovative Europe:** developing European Innovation Ecosystems to stimulate innovation in public service areas.

5 missions are also defined, with **EUROCITIES** explicitly dedicated to innovation in cities (see below).

## **CONNECTING EUROPE FACILITY**

Budget: 28,4 billion EUR

Provides funding opportunities for projects fostering the **development of trans-European energy, transport and digital networks** (especially concerning cross-border connections, missing links and sustainability):

* **Digital priorities:** gigabit connectivity to socioeconomic driver institutions (hospitals, schools research centres, local communities, households, as well as digital operational platforms associated with energy and transport infrastructures).
* **Transport priorities:** decarbonization and making transport connected, sustainable, inclusive, safe and secure.
* **Energy priorities:** transition towards clean energy and a more interconnected, smarter and digitalized EU energy system.

## **INVESTEU**

Budget: 26,2 billion EUR

EU's flagship investment programme to kick-start the European economy supporting the recovery from a deep economic and social crisis, consisting of the **InvestEU Fund**, the **InvestEU Advisory Hub** and the **InvestEU Portal**. The former JASPERS (Joint Assistance to Support Projects in European Regions) programme is also embedded into InvestEU from 2021. Its four policy windows are:

* Sustainable Infrastructure
* Research, Innovation and Digitisation
* SME development
* Social Investment and Skills

At least 30% of the investments will contribute to the EU objectives on climate action, confirming the programme as one of the main EU pillars of the Green Deal scheme.

## **DIGITAL EUROPE**

Budget: 7,5 billion EUR

New programme focused on building **strategic digital capacities and facilitating the wide deployment of digital technologies**. Key areas with specific relevance to smart cities include:

* Artificial intelligence: opening up the use of artificial intelligence by businesses and public administration;
* Advanced digital skills: upskilling of existing workforce;
* Implementation of European Digital Innovation Hubs network;
* Ensuring wide use of digital technologies: in areas such as health, green deal, smart communities, cultural sector, public administration.

## **LIFE PROGRAMME**

Budget: 5,4 billion EUR

A key financial instrument supporting **environmental, nature conservation and climate action projects**, funding local authorities for implementing best practices, pilot and demonstration projects. Key sub-programmes relevant for smart cities include:

* Circular economy and quality of life
* Climate change mitigation and adaptation
* Clean energy transition (in particular addressing regions less advanced in the energy transition and support projects on energy efficiency and small-scale renewables).

## **CREATIVE EUROPE**

Budget: 2,4 billion EUR

The programme will focus on **cooperation on cultural diversity, cultural heritage, cultural and creative sector competitiveness, international presence as well as media literacy and social inclusion**. It will intensify testing new business models enabling creators to make best use of digital technology for creation and audience development.

## **CERV (CITIZENS, EQUALITY, RIGHTS AND VALUES)**

Budget: 1,6 billion EUR

The programme has 4 main objectives, including **citizens engagement and participation**, that is particularly interesting for the development of digital services in smart cities. The funds will be used for activities built around awareness raising and training, mutual learning including town-twinning, analytical and monitoring, support to civil society organisations and developing capacities of European networks.

## **EUROPEAN URBAN INITIATIVE**

Budget: 400 million EUR

A new programme combining the former Urban Innovative Actions (UIA) and Urban Development Networks, providing a platform to further develop **sustainable urban development** in line with the priorities of the Urban Agenda of the EU. Its two funding strands are:

* Support for innovative urban projects;
* Support for knowledge, policy development and communication.

The EUI will seek a strong link with URBACT IV to further support capacity building activities.

## **URBACT IV**

Budget: not available

Urbact IV supports cities in the **exchange of experiences, innovative approaches and capacity building** in relation to sustainable urban development, through networking activities, expert support, capacity building support and knowledge sharing platforms. Changes in 2021-2027 relevant for smart cities include the enhanced involvement of small and middle size cities, as well as more focus on ‘green’ and ‘digital’ priorities, as well as governance challenges.

## **EUROPEAN ENERGY EFFICIENCY FUND**

Budget: not available

An innovative PPP-scheme providing **market-based financing for commercially viable public energy efficiency and renewable energy projects**, dedicated to mitigating climate change, as well as attracting private and public capital into climate financing.

**2.4 Selected technical assistance programmes and networks supporting smart cities**

## **European City Facility (EUCF)**

Budget: not available (provides 60.000 EUR preparatory funding per project initiative)

A project funded by the Horizon 2020 Programme, supporting the development of investment conpects of projects planned in the areas of energy efficiency and renewable energy investment. Local authorites and their associations can apply for fast and simplified support via 2 further calls for proposals (3rd call: October - November 2021; 4th call: May - June 2022). EUCF cooperates with other EU-funded instruments, such as the European Fund for Strategic Investments (EFSI), the European Structural and Investment Funds (ESIF), various Project Development Assistance (PDA) facilities, such as the ELENA facility of EIB, as well as various national investment platforms, in order to help applicants finsing the best possible mix of public and private funding for their planned projects.

## **Eurocities**

A mission of the Horizon Programme, creating a network of more than 200 cities in 38 countries, committed to getting carbon emissions down to zero, welcoming migrants and refugees, and governing through dialogue with their residents. The network enables cities to be included directly in European policy making and to become direct recipients of EU funding.

## **ERRIN (European Regions Research & Innovation Network)**

A platform of more than 125 regional stakeholder organisations (regional authorities, universities, research organisations, chambers of commerce, and clusters) from 22 European countries, aiming to strengthen the regional and local dimension of EU’s research and innovation policy and programmes. Its mission includes:

* Bringing a place-based perspective
* Making connections and facilitating EU engagement
* Increasing project opportunities for members
* Positioning regional interests in the research and innovation landscape

## **The 100 Intelligent Cities Challenge**

The initiative helps 100+ smaller EU cities to enhance green, climate-neutral and sustainable growth. Participant cities are already selected for the 2021-2022 period (including Brno in CR).

## **Sharing Cities programme**

A project funded by the Horizon Programme, joining 3 lighthouse and 3 follower cities, with 100+ other rollout locations, aiming to draw 10 times investments of the initial budget (24 million EUR).

## **Smart Cities Marketplace**

A major market-changing undertaking of the EC that aims to bring cities, industries, SMEs, investors, researchers and other Smart City actors together. Its main functions are:

* Explore: knowledge sharing hubs and good practices inventories
* Shape: assistance for action planning and project development
* Deal: seek and find partners, join collaborations

## **URBIS**

An advisory service of the EC and EIB to help cities design, plan and implement their investment strategies and projects, providing tailor-made technical and financial advice, as well as innovative financing options. Urban climate actions represent a key intervention area.

1. An “undertaking” is defined as an actor that carries out economic activity consisting of offering goods or services on a given market. It is not necessarily a company, it can be any other institutions, including local or regional authorities. [↑](#footnote-ref-1)