

Innovation Ateliers as Energy Transition accelerator

COMIF, October 18, 2022



AmsTERdam BiLbao citizen drivEN smaRt cities



atelier
Positive Energy Districts



Mission

Innovation Atelier Amsterdam (IAA) **brings together** and **connects citizens, businesses** and the **local government** to make the built environment **energy positive**.

This is done through a **multi-disciplinary** network of **users, producers, governments** and **knowledge institutes**, who jointly create, accelerate and implement **innovative solutions**.

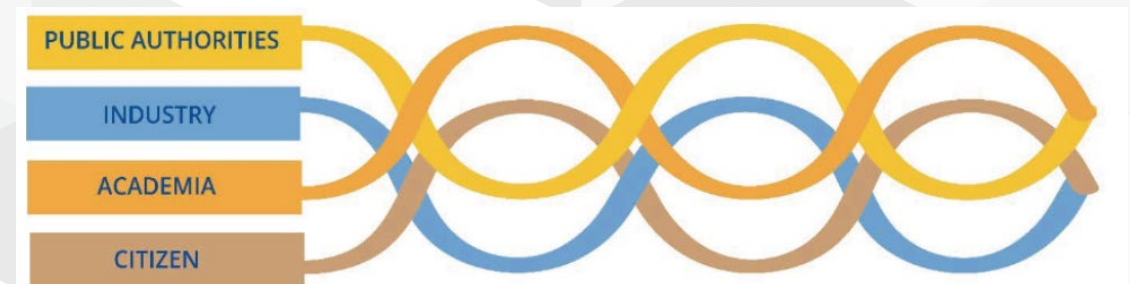
<https://smartcity-atelier.eu/app/uploads/D3.1-The-PED-Innovation-Atelier-Organisation-Document.pdf>

Value proposition

USP's: The IAA is a **catalyst** that supports **innovations** and the implementation of innovations through an excellent network of **local experts**. The IAA is part of a **larger EU-wide network** which consists of leading knowledge institutes, government, business and energy communities. This network has developed a **validated** and **integrated framework** for **developing** and **replicating positive energy districts** in Europe, which can be adapted to the **local context**.

The IAA offers:

- Access to a pool of PED experts
- Adaptable framework for PED development
- Integrated funding strategies
- Knowledge on governance, development, design and community building
- Innovation atelier meetings to connect, accelerate and realize PEDs



Strategic Coordination

Core team

The core team is a mixture of representants of the **quadruple helix** (local government, businesses, knowledge institutes and citizens):

- Businesses are represented by **Spectral**
- The government by the **City of Amsterdam**
- The citizens are represented by **Waag** and in the near future an additional member, a representant of an energy community, will be part of the core team
- **TNO** and **AMS** represent the research institutes
- The **innovation track coordinators** will also become part of the core team



The core team functions as a catalyst to accelerate innovations. The activities of the core team consist of: supporting the track coordinators in organizing Innovation Ateliers, building an active network to facilitate PED's, facilitating the dialogue between various stakeholders, identifying issues and barriers to realize PED's, organise meetings focused on problem solving and mitigation, and organizing cross-track, multi-disciplinarily sessions, based on specific challenges or use cases.

Activities

The IAA provides and organises different activities and services:

- Organises educational **expert meetings** on relevant topics
- Offers **targeted consultancy** to overcome barriers in the development phase
- Contributes to projects with **specialized** financial, legal, social and technical **advise**
- Supports **knowledge exchange** with a specific focus on the developments of common solution; collective business cases, district-level solutions, integrated system design and community building
- Facilitates the **dialogue** between research institutes and practitioners
- Is a **safe space** to explore new solutions and innovations and get experts opinions
- Is a **point of contact** and knowledge for citizens
- Creates a **knowledge database** through recording lessons learn and best practices and mistakes from operational projects. It can be used for education by:
 - Universities and knowledge institutes (access to real-life examples and data)
 - Business (access to expert knowledge and consultancy)
 - Citizens (access to knowledge and co-create/ impact the living environment)
 - (Local) governments (access to real-life examples, expert knowledge and data to improve local decision making)

Smart Cities Marketplace



Covenant of Mayors Investment Forum (CoMIF)



18 October 2022



WHAT IS IT ABOUT?

European Commission initiative (DG ENER)

OBJECTIVE:

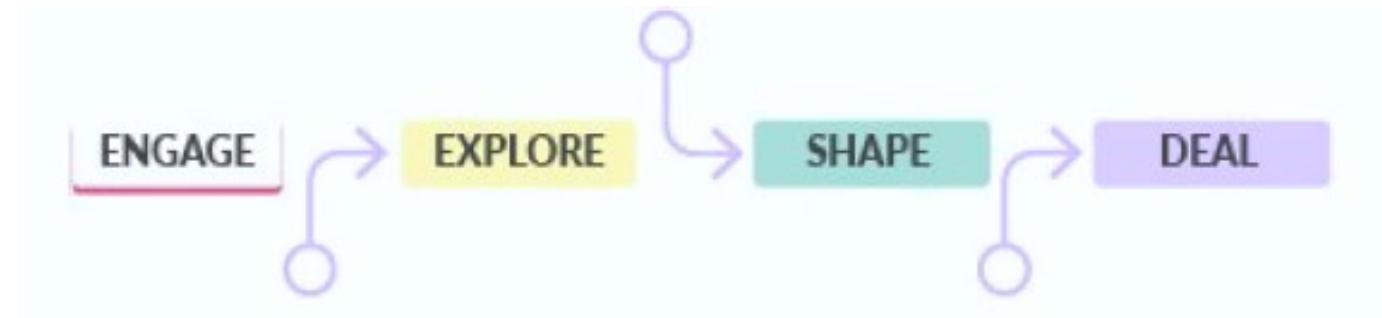
- **Facilitate** private financing and investments (new business models and approaches for decreasing risk)
- **Support** (direct, personalised, *Go Local!* focus)
- **Inform** local communities – particularly small and mid-sized cities ($\leq 100,000$ inhabitants) – on how to become climate-neutral.

DURATION: 2022–2026

WHAT SUPPORT DOES IT PROVIDE?



Customer journeys
= tailored trajectories



- Engage phase (Get in)
- Exploration phase (See and learn what's next)
- Shape phase (Shape early/mature project and action plans)
- Deal phase (Create relations and opportunities)



INTEGRATED and TAILORED SERVICES

- Matchmaking events
- Financing masterclasses
- 1-to-1 consultancy services (technical, financial, legal, engagement)
- P2P exchanges
- Helpdesk
- Wiki
- Project database
- Case studies, Solutions booklets, ...



WHO IS BEHIND IT?

ADVISORY BOARD

(community members, representatives from cities, businesses, experts, investors and partner EU level initiatives)

SECRETARIAT

European
Commission
DG ENER



Marketplace COMMUNITY (CoP, Consortia, ...)



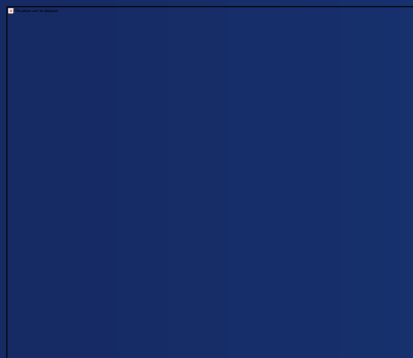
SYNERGIES

(non exhaustive)





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#CoMIF – 18/Oct/2022

Does size really matter?

**Replicating smart city solution
in small and mid-sized cities**

Angelo Giordano



Roadshows – new attuned concept





The EU economy recovery strategy is affected by uncertainties such as **higher inflation rate** and **higher commodity prices**. Moreover, geopolitical crisis matters: the economic consequences of a traditional conflict is blocking the recovery and accelerating the outlook for inflation. Finally, these vulnerabilities are **deteriorating the financial conditions**. As an example, when deploying a Positive Energy District, the unforeseen inflationary pressures brings the real estate developers to **price increases and higher borrowing rates**.

On the top of that, the Investors should augment their **exposition to ESG-related financial markets and products**. Particularly, the long-term investors have the potential to contribute to the transition towards a low-carbon economy.

The European Banking Authority is strongly suggesting the banking system, the long-term Investors and the insurers to **adapt** their tool to **evaluate the ESG-related risks**. Briefly, **not only the pure economic and financial evaluation even an impact evaluation**. Thus, because “...Banks might also be subject to transition risks derived from the impact through policies and consumer activism intended to achieve a greener and more sustainable economy...”



SCALABLE Cities would contribute to that by provides Urban Authorities and local developers practical tools with **common definitions of ESG risks**.

By a **certified software** SCALABLE Cities could assess a **predictive and effective risk management**, by evaluating the **bankability parameters and the impact factors**.

In that way, the Portfolio promoters could face the Investors (banks, funds, etc.) with a diligence incorporating the financial risks and the ESG risks, facilitating the “**capital allocation process**”.

As such, SCALABLE Cities selected a format, the Roadshow in the form of “**Capacity building workshop**” to commit LCC projects and the Climate Neutral Cities.



SCALABLE Cities round of Roadshows

The selected format is the Roadshow in the form of "Capacity building workshop".

The core of the activity is running around three pillar:

- 1 – Evaluate the portfolio of projects with a city (including local project developers), the preliminary activity
- 2 – Consolidate the assumptions and couple the funding gap with some funding opts
- 3 – Showcase the portfolio and the solution in front of a wide attendance

Briefly, SCALABLE Cities could help cities to assess their portfolio in a harmonised way and to extract data with bankable indicators.



Second service for LCCs “Consolidated Analysis of BM”

Collateral to the roadshow SCALABLE Cities has a service to produce "Consolidated analysis of the BMs and financing schemes" in the framework of the LCC projects.

The indirect consequence is to verify whether it could be the possibility to extract value from the analysis to perform additional roadshows.

The activity is a stepped process:

- 1 – Commit the LCC projects
- 2 - Re-assess their projects (data coming from the monitoring phase) from a business and financial point of view
- 3 - Identify projects with capabilities of evolve to the next phases in terms of bankability and financial stability and profitability
- 4 - Re-pack or fine tune or draw a sustainable and profitable business model
- 5 - Draft the full deliverable
- 6 – “eventual” Extract value and create pitches for each of the "exploitable" project identified



Second service for LCCs “Consolidated Analysis of BM”

List of projects already investigated:

At Sept. 2021 – Grow Smarter, Remourban, Triangulum, Sharing Cities and Replicate

List of the projects to be investigated:

Up to Feb. 2023 - Smart en City, Smarter Together, My Smart Life, Ruggedised, Iris

Up to Aug. 2024 - Match up, Stardust, Making Cities, +CityxChange

Up to Apr. 2025 - Atelier, Sparcs, Pocityf, Response

First wave,
call 2014 - 2015

Second wave,
call 2016 - 2017

Third wave,
call 2018 - 2020



Learnt

- Projects are led by managers not quite linked to cities' developers - **Weakness**
- City representatives are not confident about the funding and financial matters - **Weakness**
- Projects have no replicability plans or low economic performances in terms of technical appeal and financial returns - **Threat**
- The fellows cities were not duly investigated – **Weakness/Opportunity**



Third service for LCCs and CNC bubble

“Oriented Paper”

4th Mission oriented Paper on How to Fund and Finance Climate Neutral Cities

Contents and key message to be addressed

- The 4th Mission oriented paper would capitalize the 1st Mission oriented paper looking towards Climate Neutral Cities. The paper would suggest what strategies and innovations are required to finance the implementation, it would transfer to city developers' a set of executive tools.
- It has involved the BM&F task group on voluntary basis and the SCM
- It has been fine-tuned list of applicable innovative financing schemes, deploying the ESG and Impact Investments new trends.
- It has been drafted a concrete proposal on how create a Special Purpose Vehicle at city level to speed up the operations of City's investment plan



Third service for LCCs and CNC bubble

“Oriented Paper”

4thMission oriented Paper on How to Fund and Finance Climate Neutral Cities

Explored barriers to be overcome

- bridging the funding gap (evaluated in billions or dozen of billions);
- mobilising an ecosystem of partners to act far beyond the city's competencies;
- turning upside down the current ways of working within the cities

The global outline of the paper is proposing some solution and some methodologies to promote this change for the Climate Neutral City.



Action Grant 1st call for proposals

Status update





Tips

Call closed on Aug 31st

- ✦ Registered entities: 67
- ✦ Submitted applications: 8
 - Strand 1: 5 applications*
 - Strand 2: 3 applications*
- ✦ Cancelled applications: 1

Next steps:

1. Evaluation
2. Grant agreement signing
3. Reviewing strategy and launching the next Call for Proposals

Strand 1 - Preparation of replication actions in the field of systemic change of local governance structures

Strand 2 - Define financing mechanisms and attract investors



Where do they come from?

