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Smart cities: making technology work for Europe in the 21st century

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Ladies and gentlemen, fellow commissioners,

Cities are an important focus for economic, social and cultural life across the European Union. Ease of access, low-energy buildings, smart mobility in urban areas – these are all vital for European citizens. So I am delighted to open today's conference launching the European Commission's initiative on Smart Cities and Communities.

Cities already create some 80% of the EU's gross domestic product with their concentration of trade, business and "people expertise". And they will become even more important as the proportion of Europeans living in urban areas grows from just over two-thirds today to a forecast 85% by 2050.

Transport systems – roads, railways, rivers and canals – play a pivotal role in any city and underpin its functioning. Travel connections allow a city to trade and bring it prosperity. While we cannot imagine daily life without it, transport can also lead to many problems. Today, our cities suffer the most from road accidents, congestion, poor air quality and noise exposure. To put this into context: around a quarter of EU transport emissions originate in urban areas, mostly from cars. This is also where two out of three of all road accidents take place. Transport, and in particular congestion, not only makes cities smoggy and smelly, but also costs Europe about 1% of its GDP each year.

Perhaps one of the greatest challenges facing EU policymakers today is how best to design and adapt cities into smart, intelligent and sustainable environments. For that, we need innovation, research, investment and also, I would say, some "new thinking" – and not only in transport, but across sectors. The EU has many years of experience promoting and implementing urban projects in transport, energy and information communication technologies. But so far, these projects are not integrated across sectors. There is potential we can exploit to connect these three sectors better, to tackle the common challenges. Cities are perfect for testing the deployment of advanced technologies concentrated exclusively on these sectors.

This brings me to today's initiative – Smart Cities and Communities. It will operate via annual calls for projects to cover the areas where the three sectors are closely linked. The proposed projects should demonstrate the cost-effective performance of technology combinations not quite ready to be commercialised. The aim is to produce commercial-scale results and help companies which find it too risky to move towards quick deployment of innovative technologies. And this is despite the potential cost savings and longer-term emissions reductions of schemes which cover a range of public city services. Europe's cities are already major consumers of energy, transport and information services. So they can play a major role in the cost-effective achievement across the EU of the '20-20-20' goals for 2020: saving 20% of the EU's primary energy consumption, a binding target of 20% reduction of greenhouse gas emissions and a 20% share of renewable energies by 2020 compared with 1990 levels.

But what exactly are Smart Cities? In essence, they combine diverse technologies to increase the efficiency of how a city functions. They reduce its energy consumption and ensure there is an adequate network that links the energy and transport systems. And they also offer its citizens better lives.

Smart Cities will make the very best use of Europe's great capacity for research and innovation to improve the urban environment.

Ladies and gentlemen, imagine for the future:

- cities served by smokeless and silent electric buses using digital technology to manage energy flows and guard against power wastage;

- smartphone applications to advise commuters on the "cleanest" journey from their suburban home to city centre workplace, combining different travel means

- an application to reserve alternative-fuel rental vehicles and then locate the nearest refuelling or recharging point;

- ICT-administered road charging to cut congestion and the costs of managing it.

Urban transport projects have already shown encouraging results – the CIVITAS programme in particular, which supports city projects for low-emission vehicles, improved safety and reduced congestion. The range of invention and imagination displayed under CIVITAS is truly impressive. Take the Dutch city of Utrecht, where waste from bars and restaurants along the city's canal wharves is collected by electric waste disposal boat. In Spain, Vitoria – this year's European Green Capital – has launched an electric car-sharing scheme and aims to increase pedestrian areas by more than half. In Toulouse, diesel buses were replaced with a fleet of the newest-generation compressed natural gas buses. CO_2 emissions fell by more than 80%.

So you can see that things are already happening in one area.

With Smart Cities, we aim to build on this work to ensure that the three sectors work better together on jointly developed technologies. These can then be integrated into wider initiatives such as CIVITAS.

Making a city "smart" is not only a technical challenge but also a multi-disciplinary task. It brings together city officials, suppliers, national and EU policymakers, academics, researchers, industry, manufacturers and many others. We will need to develop and apply solutions together – to improve services while reducing energy and resource consumption, as well as greenhouse gas emissions. As ever, the watchword is efficiency.

Ladies and gentlemen,

Laying the foundations today to build the smart cities of tomorrow will create significant commercial opportunities for innovative European companies in the global marketplace – helping to improve urban transport's carbon footprint. Our cities and industries should be firmly at the forefront of this change.

Thank you for your attention.