



## What's behind EUREKA's Smart City initiative? (part 2)

Post date: 13-January-2015

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EUREKA publishes a series of short articles to explain the concept behind [Smart City](#), an initiative of the EUREKA Inter-Cluster committee aiming to support investments in this technological field (read here [part 1](#) and [part 3](#)).

Using public and private financing, the city of Amsterdam in the Netherlands has encouraged smart city projects through the Amsterdam Smart City Foundation, trialling and implemented all sorts of initiatives to help it cut carbon dioxide emissions by 40 percent from 1990 levels by 2025. Amsterdam's residents can use a system that lets them share electric cars and make 39 percent of their commute by bicycle. An intelligent electricity network - "a smart grid" - is being tested for 10,000 homes that use sensors and better computer systems to remotely control demand. Another pilot looks at ways to dim street lighting according to the weather and use the saved energy to power WiFi networks.

While Amsterdam is particularly active in smart city projects, it is not alone. In the UK, the government has created a minister for cities and last year awarded Glasgow a "smart cities" grant of about €30 million. Both the Netherlands and the UK are part of EUREKA's network of 41 countries committed to making smarter cities a priority.

As well as the social and environmental benefits, the move makes economic sense. Innovators can tap a lucrative market as cities are major generators of wealth and tax revenues, making city authorities major employers and customers. The smart transportation market alone could be worth about 285 billion euros by 2025, estimates Frost&Sullivan.

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Of course, since many of the solutions are experimental, profitability estimates are unreliable. In the experience of Guus Derks, who works for the Netherlands' enterprise agency, those solutions require companies and the public sector to be more visionary. "Businesses have to step outside their comfort zones," he says.

"Their business case depends on others." He points to one company that fitted waste disposal units in the sinks of council houses to allow organic household waste to be transported through the sewage system, to be converted to biogas used by the energy company to produce electricity and heat for the city. "The question was who should pay for the units in the sinks and who would benefit?" says Derks. "In a smart city, you sometimes need to invest in one part of the system to get a return in another, so we need to reinvent our business models and close the gap between investment and revenues" (read here [part 1](#) and [part 3](#)).

For more information about the EUREKA Smart City initiative go to [www.eureka-smart-](http://www.eureka-smart-)

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