



**PRESS RELEASE**  
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## **Smart Cities for Smart Citizens**

### **A first in Europe: the EIB and Belfius provide EUR 400m to develop smart and sustainable towns and cities in Belgium**

Developed through collaboration between the European Investment Bank (EIB) and Belfius Bank, the "Smart Cities & Sustainable Development" programme is aimed at assisting and providing financial support to towns and cities – including the smallest ones – for their so-called "smart and sustainable" mobility, urban development and energy efficiency projects. Under this programme, Belgian local authorities will, as from 4 June 2014, be the first in Europe to benefit from preferential rate loans for the implementation of their "Smart Cities" projects up to a total of EUR 400m, half of which from the EIB and the other half from Belfius Bank.

More than 70% of Europeans live in urban areas – and in Belgium this figure even reaches 98%! Although this growing concentration of the population in urban areas is without doubt a source of unparalleled opportunities, it also creates many major challenges. For example, while the towns generate almost 85% of GDP, they also consume 75% of the energy produced and are to blame for 80% of CO<sub>2</sub> emissions. It is therefore not surprising that towns and cities are central to the EU's "Europe 2020" strategy for smart, sustainable and inclusive growth. By 2020, the EU intends to reduce its CO<sub>2</sub> emissions by 20%, generate 20% of its energy consumption from renewable sources and improve its energy efficiency by 20%. Towns and cities therefore have a key role to play in ensuring that these targets are met.

#### **"Smart Cities": far more than just a buzz phrase!**

At a veritable crossroads, towns and cities, irrespective of their size, have no other option but to become "smart" in order to remain attractive, i.e. they must adopt intelligent and sustainable solutions in order to shrink their environmental footprint, rethink their models of access to resources, better satisfy the basic requirements of their citizens and enhance their quality of life.

Throughout Europe, towns and cities, together with the academic community and the business world, are working to develop smart and sustainable projects. In Belgium too, "Smart Cities" projects are in progress despite running all too often into funding problems. These projects create value and jobs and help shape the cities of the future. Public authorities can therefore contribute directly to revitalising the economy through a policy of sustainable growth, the key to future prosperity and social progress for the benefit of citizens and businesses.

For that reason and in order to support Belgian towns and cities – including the smallest ones – in this endeavour and to assist them with their search for the most appropriate financing solutions, Belfius Bank, together with the EIB, is launching the "Smart Cities and Sustainable Development Programme", designed specifically for the implementation of sustainable and smart projects in the areas of transport and mobility, urban development and energy efficiency.

Under this programme, Belfius and the EIB are making a total of EUR 400m available to Belgian local authorities for the financing of these projects in the form of loans on the preferential terms linked to EIB funds. The objective is to minimise borrowing costs for municipalities in order to support their innovative and sustainable approach. The EIB and Belfius will each provide half of the funds.

At the signing of this agreement, **EIB Vice-President Pim van Ballekom** stated, "With this programme dedicated to 'Smart Cities' projects, we are aiming to foster a strategic and integrated approach among public authorities and local decision-makers, fully in keeping with the 'Europe 2020' objectives of the European Union. This is a first for Belgium and Europe and we are convinced that this partnership with Belfius Bank can provide the necessary impetus to ensure that the "Smart Cities" initiative becomes the new standard for the development of the towns and cities of tomorrow."

**Dirk Gyselink, Member of Belfius Bank's Management Committee**, added, "As a long-standing partner of local authorities, Belfius intends, via this programme, to add real value to local communities by encouraging and supporting the most promising projects for the future. Although the 'Smart Cities and Sustainable Development' programme targets towns and cities, it will obviously also be of indirect benefit to many businesses, which, as suppliers to the public authorities, will provide the technical solutions required to implement the projects. But – and this is without doubt the most important aspect – this programme concerns above all the entire population because it is the men and women of today and their future generations who are the central focus of these new cities. They are the driving force behind them and also the main beneficiaries: these projects are being carried out with the citizens foremost in mind."

## Background information

### The European Investment Bank (EIB)

The European Investment Bank (EIB), whose shareholders are the Member States of the European Union (EU), is the EU's long-term financing institution. The EIB provides long-term finance in support of quality projects to contribute to the achievement of the EU's major objectives. In 2013, it advanced a total of EUR 72bn (37% more than in 2012), including EUR 19bn for projects to tackle climate change. The EIB's "climate action" aims to promote a low-carbon economy that can cope with climate change, while supporting innovation in all sectors and contributing to job creation. For additional information, please consult [www.eib.org](http://www.eib.org).

### Belfius Bank & Assurances

Belfius Bank & Assurances is a well-established bank at local level, which operates in Belgium in three main areas: retail and commercial banking, financial services for the public sector (wholesale banking) and insurance.

With 150 years of experience in the public sector, Belfius has always been a preferred partner of public and social sector entities (hospitals, schools, universities, rest homes etc.) in Belgium. It provides its clients with a complete and integrated range of products and services including loans, treasury management, budget optimisation, financial IT solutions etc. Its corporate banking activities are mainly concentrated on businesses operating in Belgium, with a particular focus on medium-sized enterprises. Belfius Bank & Assurances is wholly owned by the Belgian Government through Société Fédérale de Participations et d'Investissement (SFPI). For additional information, please consult [www.belfius.com](http://www.belfius.com).

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