



Horizon 2020
Programme

NetZeroCities

Research and Innovation Action (RIA)

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101036519

Start date : 2021-10-01 Duration : 48 Months
<https://netzerocities.eu/>

**NET
ZERO
CITIES**

Report on consultation input to CCC Concept and Multi-level governance process

Authors : Mrs. Monika HEYDER (ICLEI), Helena O'Rourke-Potocki (ICLEI), Hade Dorst (TNO), Sigrid Ehrmann (EIT UM), Luana Bidasca (EIT UM), Ben Hikmet (BWwB), Asen Charliyski (BwB)

This report is under review by the European Commission and has not yet been validated

NetZeroCities - Contract Number: 101036519

Project officer: Mirjam WITSCHKE

Document title	Report on consultation input to CCC Concept and Multi-level governance process
Author(s)	Mrs. Monika HEYDER, Helena O'Rourke-Potocki (ICLEI), Hade Dorst (TNO), Sigrid Ehrmann (EIT UM), Luana Bidasca (EIT UM), Ben Hikmet (BWwB), Asen Charliyski (BwB)
Number of pages	25
Document type	Deliverable
Work Package	WP14
Document number	D14.2
Issued by	ICLEI
Date of completion	2022-08-02 10:51:49
Dissemination level	Public

Summary

The deliverable D14.2 gives insight into the stakeholder engagement process conducted in five workshops. Results presented in D13.1 framed the five thematic workshops Governance, Citizen & Stakeholder Engagement, Co-benefits, Smart City & Data and Finance & Funding. Over 70 stakeholder representatives from 30 organisations took part in the workshops. Findings underline that the debate around Climate Neutrality is a political issue everyone has a stake in. Stakeholder engagement is essential for the successful implementation of goal-oriented measures of Climate Neutral Cities Mission. The need for an integrative governance, integrative transposition, and the development synergies e.g. on funding, were common motives brought forward by the participants. Several of the participants underlined their interest in a continued engagement of their organisations. The results will inform the further work in WP14.

Approval

Date	By
2022-08-02 10:52:28	Mrs. Monika HEYDER (ICLEI)
2022-08-02 15:47:10	Mr. Thomas OSDOBA (CKIC)



Report on consultation input to the Cities Mission Climate City Contract Concept and Multi-level governance process

Deliverable D14.2

Version N°1

Authors: Monika Heyder (ICLEI Europe), Natalia Altman, and Brooke Flanagan (Eurocities)



Disclaimer

The content of this deliverable reflects only the author's view. The European Commission is not responsible for any use that may be made of the information it contains.

DRAFT



Document Information

Grant Agreement Number	101036519
Project Title	NetZeroCities
Project Acronym	NZC
Project Start Date	01 October 2021
Related Work Package	WP14
Related Task(s)	Task14.1
Lead Organisation	ICLEI Europe
Submission Date	25 July 2022
Dissemination Level	Public / ORDP: Open Research Data Pilot

History

Date	Submitted by	Reviewed by	Version (Notes)
26 July 2022	Monika Heyder	Natalia Altman	



Table of contents

1	Introduction to WP14.....	7
2	Stakeholder engagement.....	8
2.1	Reasoning for stakeholder engagement.....	8
2.2	Methodology.....	9
2.2.1	Mapping.....	9
2.2.2	Link to the Cities Needs Assessment.....	9
2.3	Workshop format.....	10
2.4	Key findings.....	10
2.4.1	General.....	10
2.4.2	Governance.....	10
2.4.2.1	Stakeholders engaged.....	10
2.4.2.2	Findings.....	11
2.4.2.3	Relevant case studies identified.....	12
2.4.3	Citizen & Stakeholder engagement.....	13
2.4.3.1	Stakeholders engaged.....	13
2.4.3.2	Findings.....	13
2.4.3.3	Relevant case studies identified.....	15
2.4.4	Finance & Funding.....	15
2.4.4.1	Stakeholders engaged.....	15
2.4.4.2	Findings.....	15
2.4.5	Co-Benefits.....	17
2.4.5.1	Stakeholders engaged.....	17
2.4.5.2	Findings.....	17
2.4.5.3	Relevant cases studies identified.....	19
2.4.5.4	Relevant policies identified.....	19
2.4.6	Smart City and Data.....	20
2.4.6.1	Stakeholders engaged.....	20
2.4.6.2	Findings.....	20
2.4.6.3	Relevant case studies identified.....	21
3	Recommendations for future work.....	22
4	Outlook.....	23
	Annex A.....	24

List of Figures

<i>Figure 1</i>	<i>The different cornerstones of WP14.....</i>	<i>7</i>
<i>Figure 2</i>	<i>Process leading to D14.2.....</i>	<i>9</i>



List of Tables

Table 1 – Participating organisations governance workshop10

Table 2 – Participating organisations citizen & stakeholder workshop13

Table 3 - Participating organisations funding & finance workshop15

Table 4 - Participating organisations co-benefits workshop17

Table 5 – Recommended policies for further consideration19

Table 6 - Participating organisations smart city & data workshop20

DRAFT



Abbreviations and Acronyms

Acronym	Description
WP	Work Package
EC	European Commission
EU	European Union
SO	Sub-objective
T	Task

Summary

The deliverable D14.2 gives insight into the stakeholder engagement process conducted in five workshops. Results presented in D13.1 framed the five thematic workshops Governance, Citizen & Stakeholder Engagement, Co-benefits, Smart City & Data and Finance & Funding. Over 70 stakeholder representatives from 30 organisations took part in the workshops.

Findings underline that the debate around Climate Neutrality is a political issue everyone has a stake in. Stakeholder engagement is essential for the successful implementation of goal-oriented measures of Climate Neutral Cities Mission. The need for an integrative governance, integrative transposition, and the development synergies e.g. on funding, were common motives brought forward by the participants. Several of the participants underlined their interest in a continued engagement of their organisations.

The results will inform the further work in WP14.

Keywords

Stakeholder engagement, policy, governance, finance, co-benefits, smart city, data, mission implementation



Introduction

D14.2 is the second deliverable issued in the WP 14 “Policy Recommendations”. Even so, being the second, it will give first more general insights into the workings of WP14 (section 1). In the following section, the report dives deeper into the stakeholder mapping undertaken in T14.1 (section 2), giving some brief insights on the methodology used for identifying relevant stakeholders for the NetZeroCities project and achieving the Cities Mission. This section explains how the mapping was used to support the subsequent stakeholder engagement exercise and presents its results. The inputs gathered will help shape the Cities Mission, the Climate City Contract, and the multi-level governance process. In section 3, the report gives recommendations. Section 4 concludes with a general outlook on how the engagement results will shape future work in the WP14.

1 Introduction to WP14

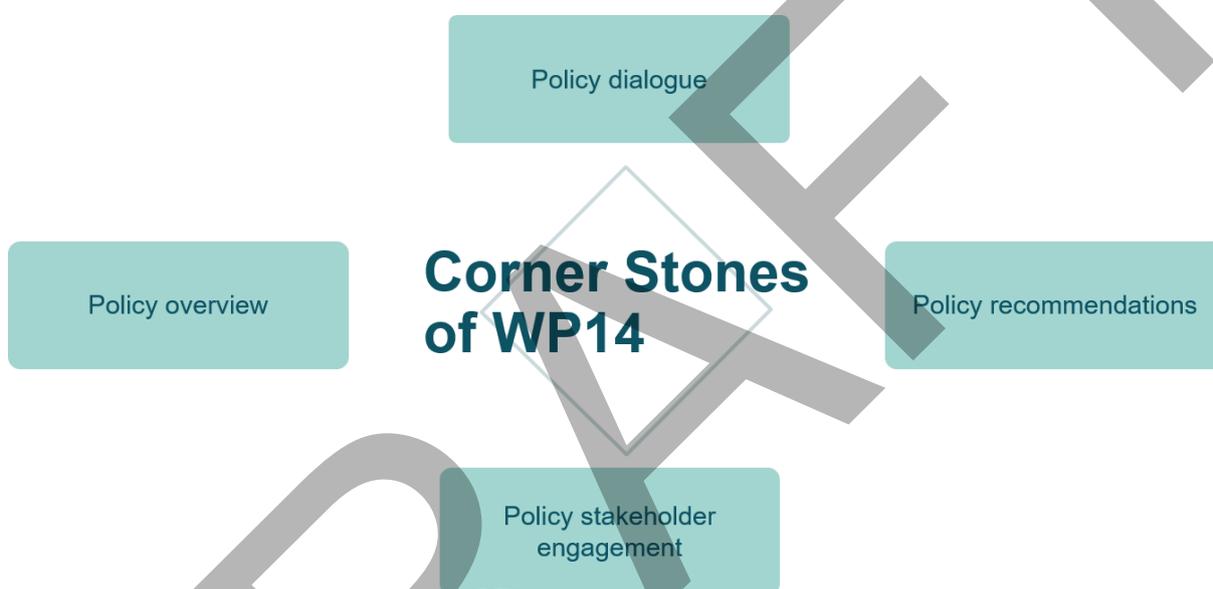


Figure 1 The different corner stones of WP14

The WP14 consists of four main activities that will support the implementation of the Cities Mission:

- Policy overview: assessing the status quo and identifying any gaps or challenges
- Policy stakeholder engagement: bringing the relevant stakeholders around the table to push the levers for change
- Policy dialogue: engage in a policy dialogue that spans the multiple levels of governance
- Policy recommendations: drawing the results together in written outputs

These cornerstones are inter-connected, building on each other and will be iterated in different formats throughout the project lifetime. The WP14 needs and provides, at the same time, input to the various work streams in the projects to help build strong advocacy support.

In particular, WP14 supports the sub-objective seven of the Mission Implementation Plan (**SO 7**) “to increase preparedness from national, regional and local authorities to implement the mission through regulatory and funding levers” and thus increasing the buy-in and support from national and regional stakeholders including authorities (Mission Implementation Plan).

WP14 closely links in the project NetZeroCities to the work in:



WP1 – In the CCC WP14 will be in service to deliver a meaningful multi-level governance dialogue to advocate on policies in service to the Mission Implementation and the Mission Cities

WP3 – The Mission Platform will present and showcase the findings in the knowledge repository

WP5 - Linking to the replication in particular T5.4 working on the national and regional collaboration platforms

WP7 – Links with the building of the investment plans, and will be around the Stakeholder engagement, finance and investment policies developed in T7.5

Further links are being established with the wider spectrum of the service and solution work packages (WP6-WP10), feeding into WP14, e.g. by linking to the gap analysis from a policy perspective.

2 Stakeholder engagement

2.1 Reasoning for stakeholder engagement

The work presented in D14.2 centres on the stakeholder engagement conducted in T14.1.1 and T14.1.2. These tasks have helped to build the basis of the work in the Stakeholder Panels in T14.2, the stakeholder engagement of City-Finance and Investment Policy Process T14.3 as well as the Policy Framework T14.4. The engagement and participation of stakeholders is a decisive element for effective multi-level governance dialogue. Thus, it is essential for the successful implementation of goal-oriented measures the Cities Mission advocates.

The objective of T14.1.2 is to:

- Identify key areas for future activities for achieving Climate Neutrality by 2030 generating co-benefits, focusing on the implementation and related policies;
- Understand stakeholders' views on the enablers, barriers and challenges for both cities and stakeholders to accelerate progress towards Climate Neutrality while considering key areas identified through D13.1;
- Better understand the role of governance, funding and finance, citizen and stakeholder engagement, and data and smart cities (more information about why we focus on these thematic areas can be found in subsection 2.2.2) in achieving climate neutrality in cities by 2030 from the stakeholder's perspective and thus inform the further process in WP14;
- Understand the stakeholders' needs and readiness in regard to data governance, monitor and evaluate the identified areas.

Requirements that were formulated for the identification of relevant stakeholders are based on the methodology described in D14.1 and can be summarised in two main criteria:

- Expertise: Knowledgeable in the level of the EU and Member State policy contexts on climate change and climate neutrality
- Quadruple helix: Representing organisations from civil society, business and industry, academia, and think tanks.



2.2 Methodology



Figure 2 Process leading to D14.2

The following subsections describe the different steps undertaken to implement the stakeholder consultations (see Figure 2).

2.2.1 Mapping

The project partners engaged in a mapping exercise described in more detail in D14.1. Around 131 organisations and institutions were selected. In the course of several meetings held in T14.1.2 and based on the above-mentioned list of mapped stakeholders and the topics selected for the consultations, several participants were selected for the workshops according to the following criteria:

- Representatives from relevant stakeholder organisations that are active at European and global level
- Organisation aiming to tackle climate change or having a vested interest in co-benefits of tackling climate change
- Representing the extended quadruple helix as described in D14.1

2.2.2 Link to the Cities Needs Assessment

Based on the learnings from the Cities' Needs Assessment (see "City Needs, Drivers and Barriers Towards Climate Neutrality" -D13.1) and the outcomes of the consultations with City Panels (conducted in T13.3), the consortium partners identified several thematic areas to structure the workshops:

- **Governance:** Cities recognise that the climate neutrality target requires a multi-governance collaboration with all stakeholders on board. The innovative governance device of "Climate City Contracts" (CCC) will be centrally important to the Mission. Moreover, the Mission Platform will support cities to adopt an innovative governance model to help develop, implement and monitor the progress of the CCC, and in particular, to involve citizens and empower energy consumers.
- **Citizen & Stakeholder engagement:** Cities are strongly encouraged to plan and showcase their initiatives to engage citizens and other stakeholders. Cities must implement the Climate City Contract (CCC) with and for their citizens. They will learn about citizens' concerns, views, recommendations, and the trade-offs they are willing to accept for the climate transition.
- **Finance & Funding:** Cities are requested to develop their Investments Plans as an essential piece of the CCC, thus supporting the implementation of the Cities Mission. Different elements (data template, training, portfolio definition etc.) shall uplift the Mission Cities.
- **Co-Benefits:** Cities identified co-benefits essential to their climate actions. Achieving climate neutrality in Europe can bring about many social, economic, and environmental co-benefits. They might build the entry point to a broader stakeholder engagement to accelerate the transition towards climate neutrality.



- **Smart City and Data:** Cities identified a lack of access to compatible data, lack of monitoring and lack of digitalization, the need of balancing data privacy with data accessibility as well as the lack of integrated and systemic approaches. The Mission Implementation relies on monitoring and evaluating actions on multiple levels not only to achieve the quantitative climate targets but also to monitor how the transformation towards integrated and systemic solutions supports the objectives.

2.3 Workshop format

Five workshops were held in the timespan of mid to end of May 2022. Their duration was scheduled for 90-120 minutes. Eurocities, in consultation with task partners, developed a standardised structure that was applied to all sessions. The format of the workshops was designed to allow for lively discussions; thus, the design called for small focus groups comprising 5-7 participants. The partners organising each workshop reached out to around 10-15 stakeholders per workshop. Over 70 stakeholder representatives from 30 organisations took part in the workshops. The main support were slide decks. In some sessions, a virtual whiteboard (e.g. Padlet) supported the discussion and collected live feedback from participants.

The participants were informed about the focus of the workshop and the key questions beforehand. Basic information on NetZeroCities was also shared in advance. The workshops centred around identifying barriers and drivers experienced by the participants and the policy implications of these. Participants were also asked about best practice examples and perceptions of their roles in the citizen and stakeholder engagement process.

All workshops followed a similar structure. They started with a presentation of the key findings of the Cities Needs Assessment (D13.1), focusing on the thematic area of the workshop to build common ground and initiate the discussion. The second part focused on an open discussion on the stakeholders' needs, challenges/barriers and enablers regarding the successful implementation of the Mission in the defined focus topics.

2.4 Key findings

2.4.1 General

In the following, the findings of the five thematic workshops will be presented in a brief summary. Annex A gives a high-level view of the addressed barriers and enabler, mapping the alignment between workshops.

2.4.2 Governance

2.4.2.1 Stakeholders engaged

Table 1 – Participating organisations governance workshop

Organisation engaged	
Eurocities	Network of more than 200 cities in 38 countries providing expertise on a variety of topics.
ERRIN	Network supporting members to enhance their regional and local research and innovation capacities and further develop their R&I ecosystems.
E3G	Independent climate change think tank.
Demos Helsinki	Independent think tank in the Nordics.
REscoop	European federation of citizen energy cooperatives.
European Climate Foundation	Philanthropic initiative working to help tackle the climate crisis.



2.4.2.2 Findings

The workshop was designed to address both vertical and horizontal governance. A strong focus was put on the Climate City Contract, a local (horizontal) and multi-level governance (vertical) approach to support climate neutrality planning and implementation.

There is often a misalignment between climate-related national and city targets. In this regard, it is common to hear that little to no communication occurs between cities and the national level when discussing ways of achieving those targets. Aligning national and local plans and/or strategies can be a good way of fostering dialogue and coordination across levels of government to achieve climate neutrality.

More trust, engagement, and support from the national government towards local authorities could be beneficial. Cities are often more ambitious than national governments and key to achieving national climate targets. In some cases, significant pressure from municipalities and regions can contribute to national and EU-level changes. For instance, some cities have managed to collectively put pressure on national governments and get their support for their climate neutrality journeys. Some examples include Sweden, Spain, Austria, and Greece. Moreover, special attention needs to be paid to the regional level, which can play a key role in the journey toward climate neutrality and the Mission implementation. In some countries, this level is very active and enthusiastic.

Additionally, how the climate crisis is framed and how it can be tackled matters a lot. Frames related to climate neutrality can emphasise co-benefits (e.g. health, well-being) and highlight the importance of addressing climate issues for the local community. Framing climate correctly and linking it to its associated co-benefits can help to interpellate and foster involvement from local level actors and can also influence the Member States.

In this sense, more efforts are needed to involve the local level. Many governments do consultations with citizens, but this is often a one-off activity and thus not a synonym of engagement (and less so of empowerment). It is essential to move towards the latter and make public participation an ongoing process, focus more on the community and foster a more collaborative culture. Democratic and inclusive governance is crucial to delivering a just transition. Urgent requirements for applying co-creation in implementing and monitoring policy instruments can be an excellent instrument to improve governance (e.g. Social Climate Fund). One participant also pointed out that collaboration between energy communities, energy cooperatives and municipalities can be a useful tool to build trust between local authorities and citizens. It can also serve as a way to mobilise the local community to take up an active role in energy transition projects.

Key themes and dilemmas identified in the workshop to further discuss in the upcoming stakeholder consultation panels include:

- Alignment: Alignment between European, national and local plans and/or strategies to foster dialogue and coordination across levels of government for achieving climate neutrality.
- Trust: More trust and further engagement and support from the national government towards local authorities could be beneficial.

Quotes Governance

“The European Code of Partnership exhorts Member States to consult social partners and local governments. As such, this code and more adherence to it could be a good driver for more engagement.”



Cities are often more ambitious than their national governments and key to achieving national climate targets.

- Framing: Framing climate in the right way and linking it to its associated co-benefits can help to interpellate and foster involvement from local level actors and can also influence Member States.
- More attention to regions: Special attention needs to be paid to the regional level, which can play key role in the Mission implementation.
- Power of local level: Significant pressure from municipalities and regions can contribute to changes at national and EU level.
- Timeline: The timeline is key when it comes to tackling policy and regulation, as well as to engage in a dialogue with other actors. E.g. If the chemical industry plays a big role in a city and this city plans to become climate neutral by 2030 (but the chemical industry has a different timeframe), a dialogue between the two parties is fundamental to get the climate neutrality timing right.
- Stakeholder engagement: It is important to move from consultation towards involvement and empowerment of stakeholders.

2.4.2.3 Relevant case studies identified

Examples or case studies

- The [Licht approach](#): REScoop has successfully developed a methodology for mobilising citizens which helps them to take action at the local level and take up an active role in energy transition projects including renewable energy, energy savings, sustainable heating and mobility. Through the LICHT approach they engage with communities and use engagement techniques to facilitate citizen groups.
- Rescoop Mecise [report](#): This report explains how energy cooperatives can successfully collaborate with local authorities including cities and municipalities. The report describes different forms of collaborations and features case studies.
- REScoop has contributed to the creation of four energy cooperatives in the Flemish Brabant. These cooperatives have provided a lot of support to municipalities.
- [Community energy – A practical guide to reclaiming power](#): this guide, co-authored by Energy Cities, REScoop and Friends of the Earth, is packed with instructions, practical tips, powerful success stories and invaluable resources to build a local, community-led renewable energy revolution.
- REScoop has several EU projects on energy poverty, including: [Community Energy for Energy Solidarity](#), [Scale 203050](#), etc.
- [Humble government](#): approach developed by Demos Helsinki. A humble approach to policy-making based on experimentalist governance aims to help governments in living up to their pledges. In this context humility means that policy-making begins with an acknowledgement of the prevailing uncertainty and is thus built as a continuously iterative process, in which actors are willing to (and allowed to) change their mind as new information arises. For example, the Humble Governance framework has been applied to speed timber construction as a way to reduce our carbon footprint.
- Climate-related citizens assemblies at national level
 - France: <https://www.conventioncitoyennepourleclimat.fr/>
 - Irish Citizens' Assembly on Climate Change: <https://www.citizensassembly.ie/en/>
- Climate-related citizen assemblies at local level
 - Brighton & Hove Citizen assembly on transport: https://www.ipsos.com/sites/default/files/ct/publication/documents/2021-02/20-000391-01_brighton_assembly_technical_report_public.pdf
 - Oxford Citizens Assembly on Climate Change: https://www.oxford.gov.uk/news/article/1257/oxford_citizens_assembly_on_climate_change_report_published



2.4.3 Citizen & Stakeholder engagement

2.4.3.1 Stakeholders engaged

Table 2 – Participating organisations citizen & stakeholder workshop

Organisation engaged	
EIT Urban Mobility	Knowledge and Innovation Community to accelerate a mobility paradigm shift to a sustainable urban mobility system and livable urban spaces.
Eurocities	Network of more than 200 cities in 38 countries providing expertise on a variety of topics.
Missions Publique	Agency specialized in citizen participation
Democratic Society	Democratic innovation organisations providing advice and practical support to create new long-term and decision-specific citizen engagement and participation mechanisms.
Polis Network	Network of European cities and regions cooperating for innovative transport solutions
ICLEI Europe	Worldwide operating association of cities and local governments dedicated to sustainable development.
FIDE - Federation for Innovation in Democracy - Europe	International non-profit organization dedicated to the participation of everyday citizens in policy-making.
JPI Urban Europe / the Driving Urban Transitions Partnership	Knowledge hub for urban transitions
Energy Cities	European Association of local authorities in energy transition. It is a community of 1,000 cities and towns from 30 countries.

2.4.3.2 Findings

The workshop was designed to address both stakeholder and citizen engagement, two distinct streams of engagement. However, the workshop focused more on citizen engagement.

Key takeaways from the workshop include:

- Capacity building: citizen engagement requires specific expertise and knowing how to ask the right questions. Cities can use guidance, tools, training on how to generate actionable input.
- Trust and legitimacy: there needs to be trust on both ends, government and citizens, and acceptance of change to achieve successful participation.
- Scaling existing approaches; many best practice examples exist that can be sourced from. However, scaling these practices remains a challenge.
- Representation and the issue of power: a challenge remains how to reach those that are hard to reach and not take biased decisions.
- Logistics: staff and time are limited, but democracy (diversity, creating legitimacy) is time-intensive and outcomes of engagement can be unexpected.
- Alignment: it is crucial to align (existing) city plans and commitments derived from stakeholder consultations.
- Political support and dedication to engagement: the mandate and the will to foster stakeholder engagement are needed to create a climate neutral city by and for citizens.



One of the biggest challenges identified in the workshop was the tension between citizen engagement and climate neutrality time scales, in particular, the fact that genuine and meaningful citizen engagement takes considerable time but 2030 is fast approaching. Not only does the facilitation and building of trust in citizen engagement take time but the objects that will be shaped and decided upon need time in planning and execution, e.g. infrastructure investments have long planning horizons.

To navigate the complexities associated with becoming climate neutral, different voices and reflections on impact and opportunities are needed in the decision-making process. Representation and ensuring inclusion are challenging in any stakeholder process. Thus, the extent to which engagement outcomes represent generally held views is not always clear, and therefore such outcomes can be challenging to integrate in the overall process. This is true for local participation processes as well as any other governance level. Achieving learnings from successful governance models and their replication will need careful consideration.

Key themes and dilemmas identified in the workshop to further discuss in the upcoming stakeholder consultation panels include:

- Time: The trade-off between available time (also translating in staff and staff capacity) and the need to accelerate actions toward climate neutrality
- Scaling: how to use the abundance of best practice examples and the available knowledge and scale this across European cities
- Trust: Developing and keeping trust between stakeholders, citizens, and governments policy measures might be required to generate a successful learning environment and the acceptance of (sometimes disruptive) change.
- Capacity: Staff capacity in all cities is strained. The Cities Mission should not add to existing plans and commitments but align these and orient them towards climate neutrality (and the corresponding timeline).
- Dealing with power: to innovate policy and governance systems, to achieve true representativeness and legitimacy of society and stakeholder groups to create sense of impact and influence will need getting political commitment.

Quotes Citizen & Stakeholder Engagement

“Public participation is not an end in itself – its main goal is to improve the decision process. The participation method must be designed to serve the decision process, and ultimately the decision. It’s not something to have ‘on the side’ or to develop ‘in parallel’, it must be fully aligned with the decision process. Of course, in different contexts there will be different ways to take those decisions, and thus different methods to take them in a participated way. The Commission should point out what those will be.”

“Experimental, flexible and co-creative methods should anticipate various and potentially opposing interests and channel the viewpoints of stakeholders into co-creating transformative change.”



2.4.3.3 Relevant case studies identified

Case studies
<ul style="list-style-type: none"> Partnership with stakeholders closer to citizens (ex. Dresden: Charter for sustainability) Addressing power imbalances, UrbanA Sustainable Just Cities examples (e.g. participatory budgetting): https://sustainablejustcities.eu/keys/power Experimental / Co-Creative approaches and Urban Living Labs. JPI Urban Europe has funded over 200 urban living labs/experimental approaches which address various themes around urban transformations. These range from co-creative methods to work with conflicts, to food/water/energy nexus focused projects and the regeneration of large social housing estates. Integrating social/environmental structures (Antwerp) Pilot cities of TOMORROW - H2020 project -www.citiesoftomorrow.eu <p>Lighthouse: Leuven, Ghent, Nantes Pilot: Brest-Metropole, Dublin/Codema, Brasov, Valencia</p> <ul style="list-style-type: none"> Doughnut City Portraits (ongoing in Glasgow, etc.) Bologna: Regulation of the commons - governance tool to encourage citizens to take care of themselves: regulation to enable creation of a dedicated community around "commons" - supported but not managed by the municipality Ghent policy participation unit supporting instruments: funds for temporary use of spaces; subsidies for projects; neighbourhood manager in each of the 25 districts of the city (civil servant but connected to neighbourhood)

2.4.4 Finance & Funding

2.4.4.1 Stakeholders engaged

Table 3 - Participating organisations funding & finance workshop

Organisation engaged	
EIB	The European Investment Bank is the central multilateral lending institution of the European Union.
AFD	The French Development Agency (Agence française de développement, AFD) is a public financial institution implementing the French government's policy
EBRD	European Bank for Reconstruction and Development fosters the transition towards open market-oriented economy.
InvestEU Advisory Hub	The entry point for project promoters and intermediaries seeking advisory support, capacity building, and technical assistance related to EU investment funds, promoted by the EIB and EC.
DG REGIO	The department of the EC responsible for EU policy on regions and cities.
Cities Mission Secretariat, DG RTD	The Cities Mission Secretariat supports the Mission Manager. Located at DG RTD, the department of the EC responsible for EU policy on research, science and innovation.

2.4.4.2 Findings

The Investment Plan will engage with sectors and projects that do not fall within the remit of the municipality. This may for example include engaging with the country's large infrastructure projects, where the private sector might be the key stakeholder. The mechanisms on how a diversity of



stakeholders including private and public may be able to engage with the net zero ambition and financing assistance will be an important consideration within the Investment Plan. Different finance products might be envisioned that need to be defined and discussed.

The stakeholders underlined that existing funding schemes are across local, national and regional level at present, creating a complexity that the local authorities struggle to navigate in order to access capital. Any financial solutions need to be designed with easy accessibility for the user. A challenge that future stakeholder engagement will need to address is how streamlining activities on investment and funding might be streamlined. Several partners stressed the benefit of collaboration with existing structures located inside the European Commission, and non-EU bodies, in order to effectively maximise the amount of mobilised capital.

The municipal services of general interest, which comprise all tasks and services that a municipality provides to ensure basic services for its inhabitants, should not be compromised by any investments. The reporting on due diligence in the course of investment decisions is essential to perform risk and compliance checks, but the workshop participants underlined the need for clarification on the degree and responsibilities related to the Net Zero ambition. The inherent limitation of capacity in municipal administration across Europe is a key risk for financing partners when looking to scale due diligence and project financing.

Key themes and dilemmas identified in the workshop to further discuss in the upcoming stakeholder consultation panels include:

- Building on and integrating existing processes and structures in sustainable investment and funding to design effective products catering to cities needs and capacities. An example would be linking up to the EIB cooperation platform with national and promotional banks and the one-stop-shop, both being relaunched under the InvestEU umbrella¹.
- An analysis of how the action plans under the Covenant of Mayors have translated actions into concrete investments and the timeline for this would be useful for the NetZeroCities project.
- To what extent can/should credit risk and borrowing capacity assessment be included in the Investment Plans? Such an assessment done at an Investment Plan level cannot replace a specific project-related due diligence process required by private investors. If the whole plan cannot be considered “risk adherent” the mission label is not likely to work in granting privileged access to private financing but rather a sign of a commitment.
- Further discussions are required on the level of risk assessment to be included in the Investment Plans, and when and how the Mission Label could be used to grant easier access to private financing.

¹ https://investeu.europa.eu/index_en



2.4.5 Co-Benefits

2.4.5.1 Stakeholders engaged

Table 4 - Participating organisations co-benefits workshop

Organisation engaged	
EIT Urban Mobility	Knowledge and Innovation Community to accelerate a mobility paradigm shift to a sustainable urban mobility system and livable urban spaces.
Energy Engineer Municipal Foundation Valencia Climate and Energy on climate actions.	The organisation is the link between the municipality and other stakeholders, a one-stop-shop for all matters related to the energy transition.
Friends of the Earth Europe	Focus on the climate and energy team, advocacy on just energy transition, energy poverty and energy efficiency
European Environmental Bureau (EEB)	Federation, leading the pollution and noise policy work
Climate and Clean Air Coalition (CCAC)	Alliance to reduce short-lived climate pollutants, coordinator for science engagement, working on quantifying co-benefits
WWF cities	Linking to the One Planet City Challenge and the Initiative Healthy Cities

2.4.5.2 Findings

Cities highlighted that co-benefits are central in their communication and engagement with different stakeholder groups – calling for a clear outlining of the question: What is in for me? The participants underlined that co-benefits are the perfect buy-in allowing everyone to join in the discussion and actions without being a climate activist. While one co-benefit might be the entry point, it is understood that the debate and exchange based on co-benefits might lead to a broader understanding of climate challenges and hopefully comprehensive actions.

Enabling economic participation and creating co-benefits should alleviate injustice in shouldering, e.g. energy infrastructure operation costs that burden disadvantaged households (tenants in poor housing conditions). Improving equal access to alternative fuel, e.g. by joining cooperatives, should be a significant political ambition. However, participants perceive a lack of political will as a major obstacle in uplifting a critical part of society, giving them equal opportunity to become an active part of the energy system.

Health impact (mortality and morbidity) was mentioned to be the most effective indicator underlining the necessity for joint consideration of air pollution reduction and climate change. The common understanding by all stakeholders should be strengthened on which action will reduce GHGs most effectively, e.g. targeting multiple GHGs at once, creating co-benefits. This should be supported by further research and exchange to identify adequate methods and resources to measure and monitor co-benefits. Furthermore, methods to reliably measure or down-scale data are missing.



The visualisation and the interpretation of data need to be more solid, leading to transparent and well-understood communication. The lack of data should not be used to justify inaction.

A further challenge is a sometimes resulting incoherence in European and national policies. Reasons for this identified by the workshop participants are that when tackling the transposition of EU regulations or directives on the national level, discussions are focused on thematically silos.

Key policies are delayed in being transposed creating considerable impact on achieving necessary co-benefits such as financial participation or poverty alleviation. Successful and sound transposition of European policies to the national and local level should be strengthened. Participants underlined the need to transpose key EU policies more quickly in a comprehensive way that gives the often cross-sectoral challenges being addressed more credit.

The formation of political will is influenced by lobbying, the participants highlighted this as an obstacle to integral consideration of all emitters and thus systemic change. Some lobbying is less obvious. The agricultural lobby was mentioned as barrier in addressing the GHG emission and air pollution. Methane, one of the most critical GHG with a substantial effect on air quality is by 50% emitted from agriculture. However, agriculture is not part of the EU Methane Strategy. Participants attest missing political will on EU level and strong lobbying.

Generally, increasing cohesion between initiatives and networks may improve policy advocacy by the boundary organisations and city networks. The demand for more cohesive GHG reporting was expressed in order to allow different stakeholders in the negotiations for increasing quality of life. Monitoring, evaluation and enforcement of policy measures will be crucial to the success of the implementation. As increasingly acknowledged (e.g. G7 process), local decision-makers could be the glue binding together the diverse stakeholders to a common objective in tackling climate impact and mitigation and will be able to reach beyond the national and European ambitions.

Key themes and dilemmas identified in the workshop to further discuss in the upcoming stakeholder consultation panels include:

- **Transposition:** The transposition in the national governments needs integrative approaches to prevent lock-ins or fragmentation.
- **Evidence:** Evaluation and monitoring of successfully achieving co-benefits supporting the interconnectedness of the urban topics/challenges.
- **Power dynamics:** Political will to implement measures to target climate neutrality and increase participation must thoroughly consider the lobbying interest groups.
- **Joint consideration:** Considering GHG emission and air pollution always together, not as two separate challenges, will allow addressing health as the main buy-in.
- **Advocacy:** Strengthen advocacy and cohesion of advocacy by more unified reporting platforms.

Quotes Co-benefits

“Getting the European level initiatives transposed at the national level will be a big start”

“National level policies often have a disconnected approach to air pollution and renewable energy, reflected in inconsistent policies”

“Some of these lobbying groups are even not perceived which may be dangerous oversight and increase the problem even”



- Climate Neutrality versus Carbon Neutrality: Clear understanding and communication of Climate Neutrality versus Carbon Neutrality is needed – one being used in the scientific community. At the same time, the other tends to be used in the policy community.
- Lifetime of GHG and climate policy: Reducing CO₂ emissions leads to long-term climate stability, while reducing other GHG and pollutants has a more immediate impact. The understanding which GHG will be affected by which actions should be strengthened. Both require different political commitment.

2.4.5.3 Relevant cases studies identified

Case studies

Through a survey in the healthy cities programme on what major benefits should a city provide to citizens? The three areas were fundamental for a sustainable city surveyed in four continents: **clean water, clean air, clean city (waste related)**. WWF Healthy Cities report : https://wwfint.awsassets.panda.org/downloads/1_mhul_wwf_report.pdf

Scaling solutions to half emissions by 2030 can be found in the following publication: https://exponentialroadmap.org/wp-content/uploads/2020/03/ExponentialRoadmap_1.5.1_216x279_08_AW_Download_Singles_Small.pdf

2.4.5.4 Relevant policies identified

Table 5 – Recommended policies for further consideration

Relevant policies mentioned as relevant	
European	<ul style="list-style-type: none"> • European Green Deal • European Renewable Energy Directive • European Solar Energy Strategy • Energy Taxation Directive (climate impact and possible pollution impact) • European Energy Performance and Building Directive • Carbon Price Mechanisms • Common Agriculture Policy (CAP) • European Methane Strategy (not tackling agricultural methane) • Zero Pollution Action Plan (for water, air and soil) • Alternative Fuel Directive • EU Gas Market Directive (Hydrogen)
National/Regional	<ul style="list-style-type: none"> • Integrated mobility management system • National Strategic plans following the CAP • National energy and climat plans • National air control programmes • Implementation of alternative fuel infrastructures
Local	<ul style="list-style-type: none"> • Zero Emission Zones • Net Zero building codes • Implementation of alternative fuel infrastructures
Further policies	<ul style="list-style-type: none"> • Meat taxes



2.4.6 Smart City and Data

2.4.6.1 Stakeholders engaged

Table 6 - Participating organisations smart city & data workshop

Organisation engaged	
EIT Urban Mobility	Knowledge and Innovation Community to accelerate a mobility paradigm shift to a sustainable urban mobility system and livable urban spaces.
Eurocities	Network of more than 200 cities in 38 countries providing expertise on a variety of topics.
Rupprecht Consult	Independent research and consulting company working on systemic innovation development and climate-neutral mobility solutions.
Mobiel 21	NGO focusing on sustainable mobility
E3G	Independent climate change think tank
TNO	Independent research organization (3600 professionals)
ICLEI Europe	Worldwide operating association of cities and local governments dedicated to sustainable development.
Arup	Multinational professional services firm provides services on the built environment.
CARNET	Mobility research hub
VITO	Independent research organisation in the area of cleantech and sustainable development.

2.4.6.2 Findings

Digital innovations can play an important role in delivering efficient and effective services in the city that may help to monitor or reduce GHG emissions. It is therefore important that policies and structures that would drive digital innovation such as broadband connectivity, digital payments etc. are in place. The COVID-19 pandemic has accelerated digital transformation in many countries. However, successful digital transformation will require strategy, policymaking and capacity building and means to effectively harness technology for governance and sustainable development.

The lack of an integrated approach and individualised city departments that focus on one sector only was identified as one of the major barriers. Furthermore, local authorities – especially in small and medium sized cities – might lack the appropriate capacity (such as training, human resources, digital skills) – for a comprehensive data governance (collecting, managing and analysing data). Important questions relate to data ownership that prevent commercial data from circulating, as well as privacy concerns around the use of data. For example, there is a lack of incentive and trust for individuals and companies to freely share their data. Also, GDPR can be hindering the implementation and monitoring of new measures. Yet, it might be beneficial to share some data for the public interest, such as information about the energy consumption of homes to track progress towards climate targets.



In some cases, the owners of the raw data are unknown and need to be identified. Data harmonization is another important aspect beyond the need for monitoring and measuring. Data needs to be turned into information. Large amounts of unclassified and unorganized data need to be harmonized and interpreted before it can be used by cities and stakeholders to inform policymaking and urban planning. The access especially to data outside their jurisdiction e.g. scope 3 data will need to be supported by national legal/regulatory measures.

In summary, relevant data needs to be accessible, harmonised and analysed to support evidence-based decision-making, and policy making, the monitoring and evaluation of impact or effectiveness of measures or to argue cases for regulation and investment.

Other key enablers and drivers can be unified methodologies such as the Sustainable Urban Mobility Indicators (SUMI), a benchmarking tool that can be useful to compare data and impact across cities. Standards act as blueprints and place holders for regulation. Especially in the Smart City and Climate Neutrality context, standards might support Europe's ambition on European Single Market and being recognised as a leader on environmental issues and technical solutions inside societal considerations. Standards respond to specific societal needs that translate research into products and may support data governance and systems interoperability. Cities should be part of the dialogue and development of standards.

To gather data for evidence-based policy making, cities can work with crowdsourcing technologies. For example, the Telraam project uses a traffic measuring tool data that collects data with the help of residents. The data is then being used for Leuven's mobility plan to inform policymaking and give an understanding of how people are using transport options - the data is also open to citizens. Similar tools can be used in other domains for example to measure the quality of rainwater.

Another important enabler for digitalisation is financing and investment and innovative procurement. Companies will be willing to invest in new technologies and solutions, if long-term contracts are in place. This will need support by a political vision and good governance are key enablers for digital innovation and services.

Key themes and dilemmas identified in the workshop to further discuss in the upcoming stakeholder consultation panels include:

- **Standardisation:** Standards provide blueprint for roadmaps and strategies. The activation of the relevant stakeholder groups as well as the more effective use of existing structures may support a European Single Market. Cities are integral to the development of standards, new forms of participation needed.
- **Data governance:** Uniform data sources across Europe may strengthen data/evidence-based governance Understanding of the impact of new (open) data governance regulations needs to be understood and capacities build on local level.
- **Innovation:** The enormous wave of regulation regarding AI is complicated to translate to practitioners. Hereby, it is important as well that regulation does not prohibit innovation from happening.

2.4.6.3 Relevant case studies identified

Case studies

- SUMI - a benchmarking tool was developed which shows the average indicators scores of EU cities, but only displays the names of the best-performing cities.
https://transport.ec.europa.eu/transport-themes/clean-transport-urban-transport/sumi_en
- Living.in.EU framework to measure digitalisation of regions and cities
<https://living-in.eu/news/measuring-digitalisation-regions-and-cities-lordi-framework-and-survey>
- Telraam - Citizens collecting data on modal split by using low-res cameras
<https://telraam.net/#9/50.8327/4.3884>



- Curieuzeneuzen: air quality monitoring through citizen science <https://curieuzeneuzen.be/>
- The CIVITAS Initiative provides a large database on sustainable mobility tools and solutions, many related to digitalisation: <https://civitas.eu/tool-inventory>
- NAPCORE is a project to coordinate the European National Access Points (NAPs) and National Bodies (NBs) established under the ITS Directive that establishes <http://www.napcore.eu/>

3 Recommendations for future work

In the following section, we draw out the common nominators and give recommendations for future work in WP14.

Systemic change presents itself as a challenge across all theatrical areas debated. Different causes presented were varying interests and power dynamics, e.g. information asymmetries or accessibility from a critical part of society. Systemic change might require rethinking organisational structures and processes. An understanding of which policies are already in place or need to be brought forward to allow this shift will be required. Policies that encourage testing and prototyping, e.g. including but not limited to agile working modes in the administration. The scaling of these successful implementations will need an encouraging policy environment on the national and European levels that supports long-lasting and integrated learning.

Synergies should be leveraged to scale and replicate success especially in regards to finance and funding. The Cities Mission should therefore establish a good understanding of and cooperation with existing initiatives, e.g. finance, to increase the overall momentum in tackling climate change.

Furthermore, political support and dedication to stakeholder engagement will require attention in the policy dialogues in WP14, allowing for concrete engagement in the decision-making process. One angle that will need further investigation is how policies could support trust building. Possibly measures include more concretely transparency and accountability in urban governance and planning.

The increased awareness all over Europe on fossil fuel dependency and the current energy crisis might allow addressing policy change regarding barriers to decentralised energy more swiftly. At the same time, the crisis might reinforce the use of trusted solutions (e.g. coal power plants being revitalised to stabilise the energy market). One recommendation was to consider GHG emission and air pollution together, not as two separate challenges, tying it to health impact to balance the debate.

It is widely acknowledged that capacity issues (time, training etc.) on all levels (administration, constructions sector etc.) may present a significant challenge to implementing the Mission ambition. The recommendation is to investigate how policy can support addressing capacity, e.g. through upskilling the workforce to support scaling the EU Cities Mission.

The interconnectedness of the urban challenges might require.

- A) future policy transposition to follow integrated implementation to avoid misalignment and lock-ins;
- B) policy co-creation in shaping, implementing, and monitoring policy instruments could improve governance;
- C) policy addressing integrative interfaces between sectors (e.g. transport, energy, environment, health, finance) while adhering to societal values (democracy, equity and justice);
- D) integrative policy dialogue on a vertical and horizontal level building synergies;



The subsequent work will address and provide policy recommendations to accelerate the implementation of the Cities Mission. In the long term, all actions should achieve the overarching objective of preventing natural disasters, and support the well-being of the society.

4 Outlook

The recommendations will be taken up in the further work of WP14 and fed into the wider process of NetZeroCities project. In particular, they will guide the stakeholder engagement activities in WP14 to debate policy gaps and possible improvements.

These policy dialogues will be taken up by the:

- **Policy labs:** Overall eight policy labs are planned in the duration of NetZeroCities. The scope of these policy labs is to explore different scenarios and strategies to deploy and synergise policy levers to tackle climate change, building on a multi-level governance perspective. The project aims at experimenting an integrated and systemic approach to tackling policy design for climate neutrality.
- **Policy stakeholder panels:** Two different Panels will be set up to lend help on general considerations and the finance/implementation. The panels will support the Mission implementation through meaningful policy dialogue between key stakeholders at the EU, and Member State level involving key stakeholders. They will be building on work conducted in WP1 and WP5.

The engagement activities will be starting in the Q3/Q4 2022 and running until the end of the project. Outputs will be policy briefs and the policy white paper (M40).



Annex A

Table 7 - Barriers

	Citizen & Stakeholder engagement	Smart City and Data	Funding & Finance	Governance	Co-benefits
Capacity building	x	x			
Capacity	x	x			
Interoperability		x			x
Data-driven		x	x		x
Data governance		x	x		x
Fragmentation	x			x	
Political will	x				
Legitimacy	x				
Power	x				x
Transposition					
Alignment	x			x	x
Regulation		x		x	
Sovereignty		x			
Temporality	x				x
Due Diligence	x		x		
Compliance					x
Trust	x			x	
Mindset	x		x		
Scaling	x				
Complexity	x				x
Preparedness				x	



Table 8- Enablers

	Citizen & Stakeholder engagement	Smart City and Data	Funding & Finance	Governance	Co-benefits
Capacity building	x	x			x
Participation	x				
Transformation	x			x	x
Inclusivness	x			x	x
Political will	x				
Capacity	x				
Empowerment	x			x	x
Experimentation	x	x		x	
Conflict	x				x
Commitment	x				
Procurement		x			
Standardisation		x			
Data governance		x			
Interoperability		x			
Regulation		x			
Accessibility			x		
Collaboration			x	x	
Alignment					x
Frameing				x	x
Awarness					x
Enforcement					x
Humility				x	
Accountability and transparency	x		x	x	x

