



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/>



Climate-neutral City Contract Concept

Authors : Mrs. Marina LITTEK (ICLEI), Allison Wildman (ICLEI)

NetZeroCities - Contract Number: 101036519

Project officer: Mirjam WITSCHKE

Document title	Climate-neutral City Contract Concept
Author(s)	Mrs. Marina LITTEK, Allison Wildman (ICLEI)
Number of pages	22
Document type	Deliverable
Work Package	WP1
Document number	D1.3
Issued by	ICLEI
Date of completion	2022-07-29 18:29:23
Dissemination level	Public

Summary

The Mission Climate City Contract (CCC) is a governance innovation instrument designed to enable cities to meet the 2030 climate neutrality target by accelerating collaborative action at all levels. The CCC is both an iterative process and a living document, consisting of three interlinked components: a 2030 Climate Neutrality Commitment, a 2030 Climate Neutrality Action Plan and a 2030 Climate Neutrality Investment Plan. The CCC is rooted in existing best practice and is also key component of NetZeroCities? systems innovation approach to climate action.

Approval

Date	By
2022-07-30 11:21:48	Mrs. Marina LITTEK (ICLEI)
2022-08-01 09:05:15	Mr. Thomas OSDoba (CKIC)



Cities Mission Climate Neutral Contract Concept

Deliverable D1.3

Version N°1

Authors: Marina Littek (ICLEI Europe), Allison Wildman (ICLEI Europe)



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.



Document Information

Grant Agreement Number	101036519
Project Title	NetZeroCities
Project Acronym	NZC
Project Start Date	01 October 2021
Related Work Package	WP1
Related Task(s)	Task 1.2
Lead Organisation	ICLEI Europe
Submission Date	29 July 2022
Dissemination Level	Public

History

Date	Submitted by	Reviewed by	Version (Notes)
29/07/2022	Marina Littek (ICLEI)	Nick Rendle (EUROCITIES),	1



Table of Contents

1.	Climate City Contract: Overview and Context	06
1.1	Overview	06
1.2	Aim, principles and inspiration	07
2.	Climate City Contract: elements and design principle	08
2.1	Three elements	08
2.1.1	2030 Climate Neutrality Commitment	08
2.1.2	2030 Climate Neutrality Action Plan	09
2.1.3	2030 Climate Neutrality Investment Plan	09
2.2	Design Principles	09
3	The Climate Transition Map: Foundation of the Climate City Contract Process	11
3.1	Phase 1: Build a strong Mandate	12
3.2	Phase 2: Understand the System	13
3.3	Phase 3: Co-Design a Portfolio	13
3.4	Phase 4: Cross-cutting process - Develop the Local Ecosystem	13
4	Climate City Contract Elements	15
4.1	2030 Climate Neutrality Commitments: The 'Core Contract'	15
4.1.1	What are the 2030 Climate Neutrality Commitments?	15
4.1.2	Who steers this process?	15
4.1.3	Who signs the Commitment Document?	16
4.1.4	The regional and national levels	16
4.2	2030 Climate Neutrality Action Plan: Annex I	18
4.2.1	What is the 2030 Climate Neutrality Action Plan?	18
4.2.2	What is different from traditional Action Plans?	19
4.3	2030 Climate Neutrality Investment Plan: Annex II	20
4.4	The Mission Label	21
5	Functional Implementation Process	22
5.1	Requirements	23
5.2	Label Award Criteria	23



List of figures

Figure 1: NetZeroCities Climate Transition Map. Dark Matter Labs and ICLEI Europe 2022	11
Figure 2 Schematic diagram illustrating how the local Climate City Contract interacts with the regional / national CCC engagement cluster	16

List of tables

Table 1: overview of Climate Transition Map phases and process vs CCC Outputs	13
Table 2: basic principles for the design and co-development of a Cities Mission Action Plan	20

Abbreviations and acronyms

Acronym	Description
CCC	Mission Climate City Contracts
GHG	Greenhouse Gas
NZC	NetZeroCities
SEAP	Sustainable Energy Action Plan
SECAP	Sustainable Energy and Climate Action Plan
SUMP	Sustainable Urban Mobility Plan
WP	Work Package

Summary

The Mission Climate City Contract (CCC) is a governance innovation instrument designed to enable cities to meet the 2030 climate neutrality target by accelerating collaborative action at all levels. The CCC is both an iterative process and a living document, consisting of three interlinked components: a 2030 Climate Neutrality Commitment, a 2030 Climate Neutrality Action Plan and a 2030 Climate Neutrality Investment Plan. The CCC is rooted in existing best practice and is also key component of NetZeroCities' systems innovation approach to climate action.

Keywords

Body text: Climate Neutrality; Systems Innovation; Collaboration; Commitments



1 Climate City Contract: Overview and Context

The aim of this document is to summarise the Climate City Contract (CCC) methodological framework, including the CCC concept and guiding principles, as a core element of the “100 Climate Neutral and Smart Cities by 2030” Mission initiated by the European Commission. Some of this information will also be integrated into the Mission’s Platform and/or programme website.¹ This deliverable is connected to Work Package 1 of the NetZeroCities project (Task 1.2). It will be complemented by the CCC Resource Pack (Deliverable 1.4).

The Mission’s Climate City Contract concept and process is the result of close collaboration between partners in the NetZeroCities consortium and the Cities Mission team at the European Commission. It has also been informed by NetZeroCities (NZC) city panels between April and May 2022, and it will be further informed by ongoing feedback and input from the Mission cities.

For further information on some of this content, watch the recording of the [NZC Online Conference CCC session](#), from June 2022.²

1.1 Overview

The “100 Climate Neutral and Smart Cities by 2030” Mission³ (the Cities Mission) was created by the European Commission to support, promote and showcase 100 European cities in their systemic transformation towards climate neutrality by 2030 and turn these cities into innovation hubs, benefiting quality of life and sustainability in Europe and beyond. It is a challenging and ambitious endeavour through which cities commit to transform the way they function, accelerate the climate transition and inspire other cities to follow their lead. The Cities Mission will involve local authorities, citizens, businesses, investors as well as regional and national authorities. It is linked to a number of high-profile EU initiatives designed to achieve a climate neutral Europe by 2050 with an emphasis on human and planetary well-being. This includes (non-exhaustive list) the range of initiatives feeding into the European

¹ The Mission Platform is managed by the NetZeroCities project, and will provide the necessary technical, regulatory and financial assistance to the Mission cities

² See *NetZeroCities Online Conference Recordings (June 2022)*. Available at:

<https://www.youtube.com/watch?v=9jDr9WqWWvk&list=PLrz7VPeUqki0edpxdRSoo4SINYqVCLkDr&index>

³ See *EU Mission: Climate-Neutral and Smart Cities*. Available at: https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/eu-missions-horizon-europe/climate-neutral-and-smart-cities_en



Green Deal⁴ such as Fit for 55⁵ and The New European Bauhaus,⁶ the Climate Adaptation Mission⁷ and related Missions,⁸ Driving Urban Transitions,⁹ The European Climate Pact,¹⁰ structural and cohesion funds,¹¹ and Re-Power EU.¹²

1.2 Aim, principles and inspiration

The aim of the Climate City Contracts is to enable cities to meet the 2030 climate neutrality target by accelerating collaborative action at all levels - ranging from the horizontal (i.e., within the municipality itself and with key local stakeholders including citizens and civil society, businesses, public services), to the vertical (i.e., the regional and national levels). Climate City Contracts are governance innovation instruments which build on the knowledge, resources and experience cities already have, providing them with a new framework to move forward as a whole city, rather than just as the city administration, to seize opportunities and overcome the barriers they face in meeting the 2030 challenge.

Mission cities should use the Climate City Contracts to create a pathway to climate neutrality by 2030 through a co-creative process, mobilising key stakeholders, engaging citizens and aligning actions for systems change and decarbonisation. While climate neutrality is at the core of the Mission, striving for a wider quality of life and just transition agenda where co-benefits of the climate transition for e.g. biodiversity, inclusive economic development, health and social cohesion are achieved, will also be key. In a collaborative and iterative process, the municipality, in conjunction with actors both within and beyond the city, identifies a portfolio of transformative actions and investments for the whole city's transition to 2030 climate neutrality. This will be rooted in a data-driven understanding of the gap between the impact of current policies and what is required to meet Mission goals - both in terms of municipal actions and investments, and those by other local actors. The Climate City Contracts s are an

⁴ See *European Green Deal: Commission proposes transformation of EU economy and society to meet climate ambitions*. Available at: https://ec.europa.eu/commission/presscorner/detail/en/IP_21_3541

⁵ See *Fit For 55 Package Under the European Green Deal*. Available at: <https://www.europarl.europa.eu/legislative-train/package-fit-for-55>

⁶ See *New European Bauhaus*. Available at: https://europa.eu/new-european-bauhaus/index_en

⁷ See *EU Mission: Adaptation to Climate Change*. Available at: https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/eu-missions-horizon-europe/adaptation-climate-change-including-societal-transformation_en

⁸ See *EU Missions in Horizon Europe*. Available at: https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/eu-missions-horizon-europe_en

⁹ See *Driving Urban Transitions – Sustainable future for cities*. Available at: <https://jpi-urbaneurope.eu/driving-urban-transitions-to-a-sustainable-future-dut/>

¹⁰ See *European Climate Pact*. Available at: https://europa.eu/climate-pact/index_en

¹¹ See *European Structural and Investment Funds*. Available at: https://ec.europa.eu/regional_policy/en/funding/

¹² See *REPowerEU*. Available at: https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3131



opportunity for all local stakeholders, whether public sector institutions, utilities, companies or civic groups, to commit explicitly to their respective actions and create mutual accountability. Cities participating in the Mission will lead this process locally, but will have the opportunity to engage with their respective regional and national actors in 'Mission clusters', to address regulatory and financial barriers at different governance levels, with support from the Mission Platform and the European Commission.

The Cities Mission Climate City Contract (further referred to as CCC) builds on the experience of Viable Cities¹³ in Sweden and CitiES2030 in Spain.¹⁴ In Sweden, 23 cities, accounting for roughly 40 % of the population, are already involved in the Climate City Contracts with Viable Cities, along with five national agencies. The process in Sweden has explicitly recognised that the transition to climate-neutral and sustainable cities requires interdisciplinary co-operation between citizens, politicians, companies and officials, at a level never seen before. National, regional and local levels must work collectively and in new ways, to achieve the mission of climate neutral cities by 2030. Eight Spanish cities have also started working on their own Climate City Contract process, supported by CitiES2030. This included a summer school in July 2022.

We underline that the concepts prototyped in Sweden and Spain are being adapted under the Cities Mission to strengthen the approach and create a general overall framework that will enable its application across the EU and associated countries. In the following, we will describe the Mission Climate City Contract, and refer to it by using the acronym CCC.

2. Mission Climate City Contract: Elements and Design Principles

2.1 Three elements

The Cities Mission Climate City Contract is both a process and a document, consisting of three interlinked components: a 2030 Climate Neutrality Commitment, Action Plan, and Investment Plan.

2.1.1 2030 Climate Neutrality Commitment

The Cities Mission 2030 Climate Neutrality *Commitment*¹⁵ (the 'Core Contract') captures the outcomes of the co-creation process with local, regional, and national stakeholders to establish new ways of working together to expedite climate neutrality. It includes a shared 2030 ambition as well as the specific commitment(s) to action from stakeholders in the contract, including a political commitment.

¹³ See *Viable Cities*. Available at: <https://en.viablecities.se>

¹⁴ See *Cities2030*. Available at: <https://cities2030.eu/>

¹⁵ Please note that these names are subject to change, based on cities, Mission team and consortium partner's feedback. Current proposals to ensure a stronger link to the ambition of the mission are : 2030 Climate Neutrality Commitments/ Action Plan/Investment Plan or 2030 Net Zero Commitments/Action Plan/Investment Plan



2.1.2 2030 Climate Neutrality Action Plan

The Cities Mission 2030 Climate Neutrality *Action Plan* identifies the strengths, insights and gaps of existing strategies, policies and plans, to progressively create, over successive iterations, a co-ordinated and measurable portfolio of interventions across multiple levers of change, to achieve the 2030 ambition.

2.1.3 2030 Climate Neutrality Investment Plan

The 2030 Climate Neutrality *Investment Plan* identifies the potential costs and associated investments required to reach climate neutrality and strategically mobilises and organises public and private resources in order to orient public, private and civic capital at scale for funding and financing cities' pathways to climate neutrality.

2.2 Design Principles

The Cities Mission Climate City Contract concept draws on established climate and low carbon pathway approaches, such as the Green Climate Cities¹⁶ and the ICLEI Climate Neutrality Framework.¹⁷ The latter has helped inform the design of the CCC process both visually and as a way of breaking down individual phases into actionable steps.

In addition to this, the CCC is a key component of NetZeroCities' systems innovation approach to climate action. Systems innovation means moving from incremental to systemic change. It means innovating and testing across existing systems, in a co-ordinated way, to unlock pathways towards climate-neutrality and associated co-benefits. To do this, a first step is to map out interdependencies between actions, actors and practices, as well as connecting climate actions in whole-city cross-sectoral portfolios and intentionally collaborating with a greater number of actors - locally and across all levels of governance.

The problems cities face in mitigating and adapting to climate change are complex, rooted in technological,¹⁸ economic and financial,¹⁹ organisational,²⁰ political, cultural²¹ and social systems. These are all interconnected and constantly adapting to one another, meaning their interdependencies can block necessary change. Inherited structures - such as planning policies, existing infrastructure, deeply ingrained organisational or individual practices and mindsets - can reinforce the status quo and undermine necessary transformations. In practice, this approach follows the understanding that reaching climate-neutrality can be accelerated by using:

¹⁶ See *Green Climate Cities*. Available at: <https://iclei.org/greenclimatecities/>

¹⁷ See *Climate Neutrality*. Available at: https://iclei.org/climate_neutrality/

¹⁸ See *Technical Innovation for Climate Neutrality*. Available at: <https://netzerocities.app/QR-Technological>

¹⁹ See *Financing the Mission*. Available at: <https://netzerocities.app/QR-Finance>

²⁰ See *Financing the Mission*. Available at: <https://netzerocities.app/QR-Governance>

²¹ See *A Transition by and for Everyone*. Available at: <https://netzerocities.app/QR-Citizen&Urban>



- **An understanding of systems:** Being aware of the gap between the current policies and what is needed to achieve the Mission goal is critical. This data-driven approach shows priority domains of intervention; combining that with an understanding of the unique local issues (actors, actions, practices around challenges faced) to reveal the interdependencies between various technological, financial, policy and regulatory, organisational and institutional, democratic and social levers is crucial to understand potential pathways towards radical emission reductions. It also enables us to identify possible unintended consequences of interventions (externalities) and barriers to change.
- **A portfolio of actions:** When the core emissions reductions priorities and interdependencies in a city's challenges are understood, this can be used to catalyse impact by creating portfolios of actions. Working through portfolios organises action in a coordinated manner using multiple levers across the system - governance and policy, regulation, finance and business models, technology, democracy and social innovation, capability building.²² This enables faster learning by creating feedback loops about what works and what is needed next, discovering the pathways towards climate neutrality.
- **Collaboration and transparency:** The Climate City Contract is a governance innovation instrument. Working on portfolios of actions across systems requires working with new actors in new ways,²³ multiplying the number of actors of change. This means focusing on impact by working collaboratively, building and orchestrating a city ecosystem, where local citizens, businesses and all necessary stakeholders can contribute to the change needed.
- **An iterative approach:** As cities in Europe operate in different contexts, it is imperative to start from where they are at, and accelerate impact by learning quickly through action. Moreover, since there are no crystal-clear ways forward given uncertainties in technology, governance, decision-making and other external factors, the CCC process has to allow for iteration. This means aligning on goals and updating practical actions in periodic updates of the CCC documents, using monitoring, evaluation and learning instruments to regularly review progress and adjust the trajectory of actions strategies and interventions. Testing and discontinuing certain approaches should therefore not be seen as an admission of failure, but rather a necessary element of this iterative approach.

²² See footnotes 17-20.

²³ See *Climate City Contracts*. Available at: <https://netzerocities.app/QR-CCC>



3. The Climate Transition Map – Foundation of the Climate City Contract Process

The Climate Transition Map is the visual representation of the NetZeroCities approach to the climate neutrality journey and builds on the approaches described above. The phases are not individual steps but capture key elements that may enable the transition to climate neutrality. These are not intended to be prescriptive or exhaustive, nor do they have to be sequential: they are interwoven and often take place in parallel. The map will be further informed by the experience and the feedback of the cities during the lifetime of the NetZeroCities programme, and is expected to be updated during the process.

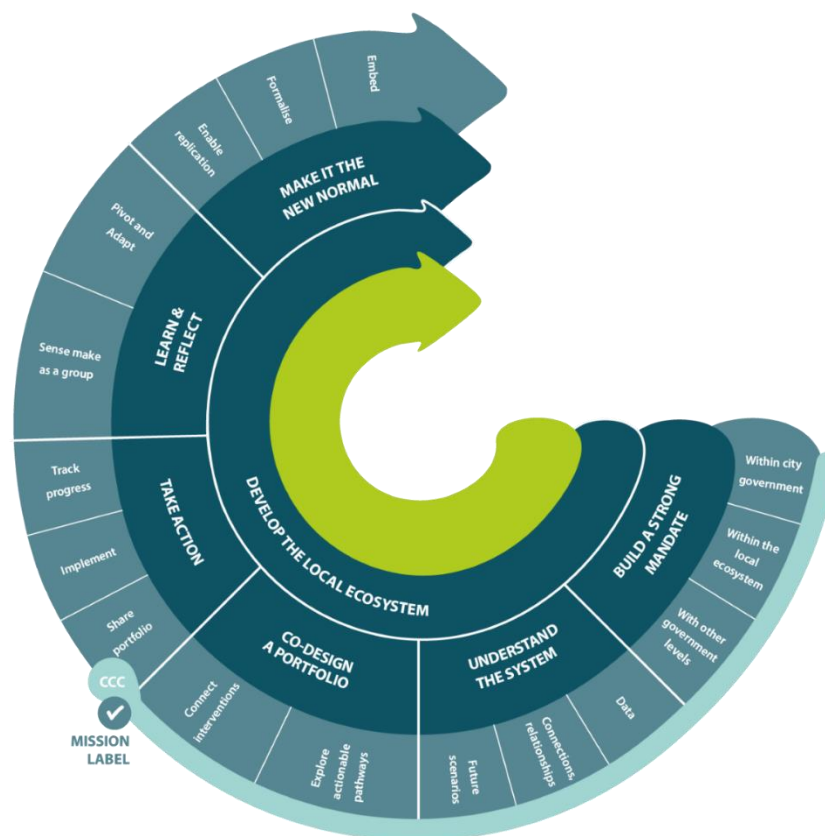


Figure 1: NetZeroCities Climate Transition Map. Dark Matter Labs and ICLEI Europe 2022

The first three phases of the map, i.e. 'Build a strong mandate', 'Understand the system' and 'Co-design a portfolio', as well as the cross-cutting process to 'Develop the Local Ecosystem', are particularly relevant to the first iteration of the CCC process, as they constitute the basis for building a strong foundation, ambition and effective implementation across the board - including all three elements of the CCC: Commitment, Action Plan and Investment Plan.

3.1 Phase 1: Build a strong Mandate

A strong mandate for accelerated climate action and neutrality by 2030 will help ensure that the actions and investments for the Mission have a wide political, civic and social mandate – including when elected administrations change. This is a fundamental phase for a range of reasons. For instance, public opinion polling in Europe, such as Eurobarometer²⁴, shows that citizens regard climate change as one of their top concerns, or even the greatest concern and priority- this is however not yet consistently translated into transformative practical mandates for climate action in cities. This can potentially be addressed in a number of ways: 1) ensuring that within city government, the commitment expressed in the Expression of Interest for the Mission is translated into a practical, cross-departmental commitment to climate neutrality by 2030; 2) ensuring that the full local ecosystem of actors in the city, including citizens, civic groups and the media alongside the private and public sector, is positively engaged in understanding the climate challenge and that all voices are heard in decision-making, co-design, co-implementation and co-investment around the Mission; and 3) that the mandate at city level is enhanced by the involvement of other layers of Government.

...within city government.

Create (or strengthen) a transition team starting from within the municipal government (and city-regional government, where relevant), with strong relationships at a senior strategic level and at an operational level across key departments including e.g. the finance team. Such strong connections support internal municipal teams to build upon their mandate for strong climate action, securing stronger internal commitment, widely shared responsibility for achieving the Mission, and practical mobilisation of resources.

...within the local ecosystem.

Identify relevant and necessary actors to address local challenges and bring them into a coalition for change. This is essential as the municipality cannot achieve the climate transition on its own. This multi-actor coalition could include, for instance, the public sector, private sector, civil society and academia, spanning as wide as necessary. It forms an ecosystem, which grows over time. It is likely to start with an initial group of 'coalition of the willing' who commit their energy, creativity and drive to provide distributed leadership around the Mission goals, and expand from there.

...with other levels of government.

Strengthen contacts between the municipal level and regional, national, and EU stakeholders around the Mission. This enables the building of a shared understanding of how to co-ordinate action towards Mission outcomes: for example, around investment, policy co-ordination, data infrastructure, knowledge

²⁴ https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip_21_3156/IP_21_3156_EN.pdf



sharing and peer learning, or regulatory issues. This can happen through national Mission platforms or networks between the Mission cities.

3.2 Phase 2: Understand the System

This phase is about developing a holistic understanding of the current state of affairs, as well as developing future scenarios. To accelerate the impact of cities' climate efforts, it is essential to understand the challenge from multiple perspectives. This is about being data-driven, but also about stakeholders across the city honestly reflecting together on the successes and difficulties in climate action so far: what is truly required to close the gap between what current policies can achieve, and what is required for climate neutrality? Turning this increased understanding into future scenarios can help inform different actors about what might be possible and what choices that entails.

It involves, amongst other things, working with all actors across the city to aggregate information and data. This is essential in order to create a shared overview and understanding of the scale and scope of change required, both in terms of all actions needed and the investments this implies. It also involves bringing together the different perspectives, experiences and lessons of existing climate strategies and efforts, to identify gaps and make sense of the city's emissions as a connected system.

3.3 Phase 3: Co-Design a Portfolio

This phase focuses on the co-created design of cross-cutting systemic interventions. Achieving the Mission outcomes, as well as generating important ecological, economic and social co-benefits, can only be achieved through coherent interventions using multiple levers of change. Co-designing a portfolio that brings together existing policies, actions and programmes with new or accelerated interventions in a portfolio approach is a way to reveal interdependencies and strengthen the connections between the actions and commitments of multiple actors. This can help overcome obstacles and enable positive synergies.

3.4 Phase 4: Cross-cutting process - Develop the Local Ecosystem

This cross-cutting phase is about continuous engagement with stakeholders and actors in the local context. Is essential as the municipality cannot achieve the climate transition on its own: the positive commitment, creativity, drive and co-investment of all stakeholders, including citizens, is needed. This is both about the city's innovation ecosystem and about a wider 'transition arena' in which new opportunities, needs, risks and possible solutions can be debated. Collaboration in this multi-actor ecosystem will be easier if it is rooted in a better shared understanding of the challenges posed by climate change, the risk and costs of doing nothing and the co-benefits of accelerated action.

The above phases constitute the process basis for the creation of the specific CCC outputs, which as mentioned include a Mission Commitment document, with the annexed 2030 Climate Neutrality Action



Plan and I2030 Climate Neutrality Investment Plan. A thorough and effective CCC will benefit from being built on the solid foundation of the Climate Transition Map phases described.

A more detailed overview of the map's sub-phases, as well as examples and suggestions for practical implementation, will be provided in the upcoming 'Climate City Contract Resource Pack'.

Climate Transition Map Phases	CCC Outputs	
Build a Strong Mandate	2030 Climate Neutrality Commitment	2030 Climate Neutrality Action Plan 2030 Climate Neutrality Investment Plan
Understand the System		
Co-design a Portfolio		

Table 1: overview of Climate Transition Map phases vs CCC Outputs

4. Mission Climate City Contract Elements

The following sections describe the documented outputs of the Climate City Contract process in more detail.

4.1 2030 Climate Neutrality Commitments ('Core Contract')

4.1.1 What are the 2030 Climate Neutrality Commitments²⁵?

The main output of the deep engagement process described in previous sections is a public Commitment document ('Core Contract') which articulates a co-created 2030 ambition with strategic objectives, and identifies the contract signatories and their specific commitment(s) to this 2030 ambition. The Commitment document is not *legally* binding, but entails political accountability; it is signed by the mayor (at minimum), so involves a political commitment to climate neutrality by 2030, plus any number of key stakeholders involved in the city's journey to climate neutrality, including regional or national signatories, where feasible. The aim of this component is to engage as many key actors in the city ecosystem as possible. Cities will start in different places; some will have many signatories in their first contract, some will include only a few. The aim is to add new actors and sharpen existing commitments to 2030 on every iteration cycle.

²⁵ Please note that these names are subject to change based on cities, Mission team and consortium partner feedback. Alternatives: NetZero2030 Commitments/Actions/Investment Plan, Cities Mission Commitments/Action/Investment Plan



The Commitment process and document are aimed at capturing the commitments of different stakeholders, as well as strategic actions by the municipality and (if present) the wider local stakeholders. This is merely the concrete expression of the intention to support climate neutrality. The full implementation detail will be included in the 2030 Climate Neutrality *Action Plan*. A template for cities to use as guidance and inspiration will be available as part of the Climate City Contracts Resource Pack.

4.1.2 Who steers this process?

- The municipality's **internal Climate Transition Team**, i.e., the internal team that a local government brings together to work on the Mission, supported by an internal steering group if appropriate. Where regional governance arrangements are such that a municipality and metropolitan region are co-responsible for the Mission, this would be reflected in the Internal Climate Transition Team.
- A **city-wide Climate Transition Team**²⁶ or **Coalition for Change** which also includes representatives from across society, i.e. the quadruple helix of companies, public organisations, knowledge institutions and civil society, depending on the local context. As noted before, companies and other stakeholders are critical as owners of assets and operations that themselves need to transition to climate neutrality.
- **Citizens and local communities:** It is the ambition of the Cities Mission to be 'by and for the people', so the commitment process needs to be rooted in the meaningful engagement of citizens and the local communities. There is a crucial role to be played by citizens and local communities to actively support and enable the wider climate transition process for the city. When stakes are high, ambitions diverse and pathways uncertain, the development of a highly participatory and deliberative process, with the inclusion of citizens and local communities, could increase the legitimacy, restore trust, and strengthen the ambition and social capital within the commitment process. This process could be an opportunity to lay the right foundation for citizens and local communities to play a key role in pushing the transition towards Climate neutrality.

4.1.3 Who signs the Commitment Document?

As noted, the CCC will need to have at a minimum the signature of the elected Mayor of the city or equivalent. Other signatories may include:

²⁶ As described in the upcoming Transition Team Playbook. Each city will adapt these names to suit their local needs



- **City function service providers**, e.g., transport companies, utilities, public education and health providers, public housing providers, the cultural and creative sector, etc.
- Owners and managers of large city infrastructure assets, like **ports and airports**, whether public or private, housing developers, etc.
- Large private sector entities, like **major employers** or asset owners, whether in industry or services, or the real estate sector, etc.
- Large sector specific umbrella organisations like employer organisations, **industry associations** (e.g., tourism), etc.

In essence, for the city to be able to meet its climate neutrality goal, key emitters as well as other stakeholders will need to be identified and their commitment to the climate neutrality target secured, as most municipalities only control a minority of emissions directly.

4.1.4 The regional and national levels

Achieving climate neutrality will require support from all levels of governance. In some Member States Mission Cities and other cities with Mission-level ambition are already working together in national clusters to close gaps between national or sub-national policies and regulations, to better align funding and financing opportunities and to tackle other needs identified by the cities in their path towards climate neutrality. This collaboration provides essential support to the CCC process in terms of potential resources, but also peer-support, learning and motivation. The resulting commitments will be included in each city's CCC and updated during the periodic iteration cycle, but there is the possibility to also create National Climate City Contracts (similar to the Spanish model) and/or Regional Climate City Contracts (currently being explored in Sweden).

A Cities Mission Platform Observatory will be established as part of the NetZeroCities project (Work Package 1 - CCC and 2030 Climate Neutrality *Action Plan*) to monitor, encourage, and support existing and emerging national/regional "Mission support structures" in participating countries. The Observatory will link existing national/regional support frameworks as well as other potential co-operation models into the CCC process with the aim of strengthening the multi-level governance collaboration and coordination. It will build on the mapping work (Work Package 5, Task 5.5) that scopes the current landscape of national and regional co-operation between cities on climate action in all Member States and eight Associated Countries, integrating new intelligence as it emerges.

The Observatory will co-operate with the EU projects supporting and co-ordinating national support to the EU Cities Mission (CapaCITIES, TRAMI), and the Member State Group set out in the European Commission's Mission governance structure with the aim to identify functional governance models, productive dialogue formats, and support structures for Mission Cities engaging in national/regional dialogues linked to Mission implementation. In cases where no national/regional support framework or platform emerges, the Observatory will serve, whenever possible, as an intermediary to facilitate multi-level dialogues as well as help identify those actors considered key for creating support frameworks.



The Observatory will also regularly consult with relevant national/European actors (i.e., finance, industry, business sectors, etc.) through the Stakeholder Consultation Panel (Work Package 14). The panels will support the Mission implementation through meaningful policy dialogue between key stakeholders at the EU, Member State level involving key stakeholders.

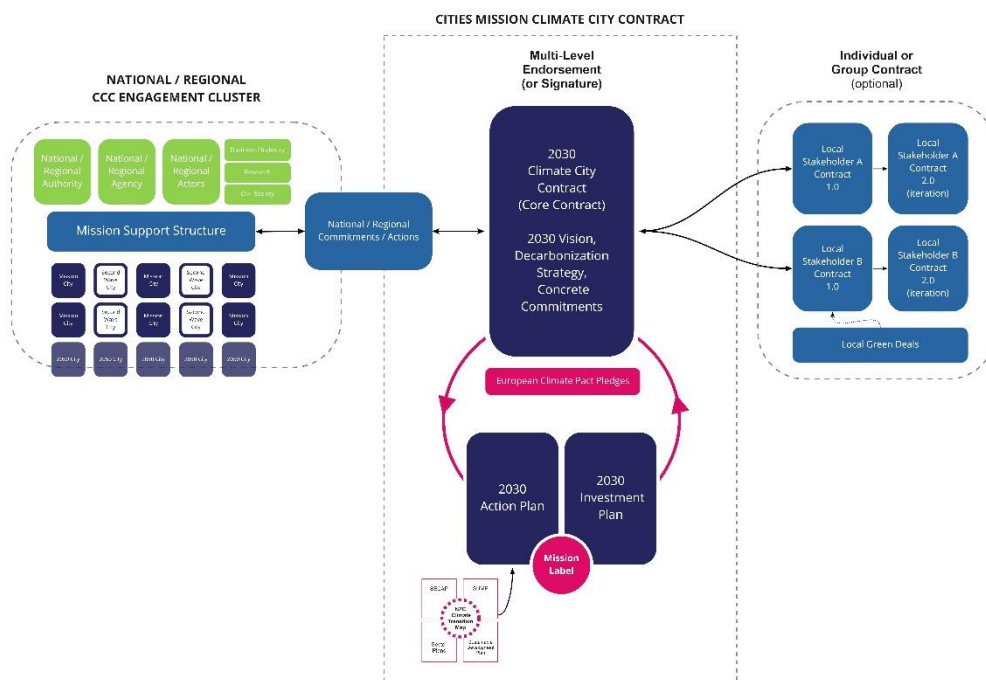


Figure 2: Schematic diagram illustrating how the local Climate City Contract interacts with the regional / national CCC engagement cluster

4.2 2030 Climate Neutrality Action Plan: Annex I

4.2.1 What is the 2030 Climate Neutrality Action Plan²⁷?

The 2030 Climate Neutrality *Action Plan*²⁸ is an integral output of the Cities Mission Climate City Contract (CCC) process, and is an instrument for Mission Cities to navigate and operationalize their 2030 climate

²⁷ Please note that these names are subject to change based on cities, Mission team and consortium partner feedback. Alternatives: NetZero2030 Commitments/Actions/Investment Plan, Cities Mission Commitments/Action/Investment Plan

neutrality ambition using a systems approach. It identifies, connects, and helps strategically implement a city-wide portfolio of transformative actions necessary to bridge current gaps in policy, regulation, project planning, funding, finance, and implementation to achieve climate neutrality by 2030. It is the equivalent of both a strategy and an implementation plan, and builds on and strengthens existing plans and frameworks.

The plan will need to demonstrate Mission-level ambition and aim for a 2030 climate neutrality target for the entire city (as set forth by the European Commission's 100 Climate Neutral and Smart Cities Mission; see Info Kit for Cities).²⁹ It will offer new perspectives on how to address climate challenges with multiple stakeholders at multiple governance levels, including all quadruple helix ³⁰stakeholders. The Cities Mission Action Plan will assess how far reaching the city's current policies, plans, actions, and capital needs are (through a Current State Assessment - CSA), articulate a strategic climate neutrality pathway, and bring together a portfolio of interventions to reach climate neutrality by 2030.

The portfolio interventions should be cross-sectoral and designed to radically reduce greenhouse gas (GHG) emissions using multiple "Levers of Change" (see NetZeroCities Deliverable 2.14 - Theory of Change). These include, but are not limited to, governance and policy, regulation, technology, culture, social innovation and citizen engagement and participation, capacity and capability development, finance, business models, and local development strategies.

The 2030 Climate Neutrality *Action Plan* is interlinked with the Cities Mission Investment Plan (see below), which will identify and map out the capital needs for reaching climate neutrality by 2030 and enabling actions to mobilize public and private capital; as well as developing an efficient capital deployment approach, and an integrated impact monitoring framework.

4.2.2 What is different from traditional Action Plans?

The 2030 Climate Neutrality *Action Plan* should build on a city's existing climate action work – such as a Sustainable Energy Action Plan (SEAP) or Sustainable Energy and Climate Action Plan (SECAP), Sustainable Urban Mobility Plan (SUMP), a local sustainable development plan or climate action roadmap, individual sector plans, or work related to realizing Local Green Deals - and upgrade these to enable meeting the 2030 climate neutrality ambition. In essence it brings together all climate-related work in the city into a coherent whole that is oriented to the 2030 horizon.

This brings the following changes compared to existing instruments:

- First, and most obviously, by mapping against a **2030 horizon**, it will enable most cities to bring forward plans that might have been developed for a 2040 or 2050 net-zero target.

²⁹ https://ec.europa.eu/info/sites/default/files/research_and_innovation/funding/documents/ec_rtd_eu-mission-climate-neutral-cities-infokit.pdf

³⁰ The Quadruple helix model represents a new social dynamics model based on networking, breaking of barriers between institutions and integration/cooperation of different social sectors (Klasnic, 2016) <https://journals.sagepub.com/doi/full/10.1177/09697764211016037>



- Second, it places a **greater emphasis on change *within the municipal government*** in order to enable system transformation – whether related to ways of working and organising, developing new capabilities, implementing new structural and legal arrangements, or through otherwise augmenting the scope of conventional climate action planning.
- Third, it follows a **co-creative and open process** with the aim to take a ‘whole city’ view to include and align initiatives, actions, and investments from other stakeholders – such as anchor institutions (e.g., universities and research institutions, hospitals, school districts, ports, etc.), businesses (industry, service sector, real estate, etc), civil society organisations, citizens as well as cultural organizations, youth groups and professional networks.
- Fourth, the CCC and specifically 2030 Climate Neutrality *Action Plan*, strives to **avoid investments in carbon-intensive solutions and disrupts path dependencies** by engaging in divestment from fossil fuels wherever possible.
- Finally, as well as accelerating and upscaling implementation in classic fields of action, the 2030 Climate Neutrality *Action Plan* **recognises** that part of the work to achieve climate neutrality by 2030 is uncertain. Navigating this **uncertainty** will offer many opportunities to rethink, reimagine, and create new solutions together with stakeholders. As such, the first iteration of the Action Plan should set out the first steps and direction of travel in exploring this acceleration of the pathway to climate neutrality where cities will learn by doing, and update / iterate the plan on a fixed review cycle.

The basic principles for the design and co-development of a Cities Mission Action Plan include:

Principles	
1.	Building on existing strategies , plans and processes to bring together and focus all decarbonisation activity in the city into a coherent, integrated package for achieving the 2030 ambition.
2.	Ensuring process is rooted in deep stakeholder and citizen engagement, systems understanding, and transformative innovation , to address the 2030 challenge in a more integrated, collaborative, and multi-scalar way.
3.	Embracing data-driven analysis, decision-making, and visualisation to better inform policies, regulation, investments, assess impact, and clearly communicate progress.
4.	Using a portfolio approach to cluster and interlink sectoral climate actions (including also funding opportunities and financing) and cross-cutting, enabling climate actions (i.e. social innovation, citizen participation) with policy interventions, considering both emission reductions and co-benefits.



5.	Offering a flexible and modular guide to create a customized 2030 Climate Neutrality Action Plan that responds to each city's starting point and particular needs, while ensuring a standard level of quality for the Mission Label.
6.	Providing a solid foundation and clear direction to support more-detailed operational and financial planning in implementation phases.
7.	The Cities Mission Action Plan is a living document and should be adjusted on a 12 - 24 month cycle, in conjunction with the Cities Mission Investment Plan to respond to changes in the continuously evolving ecosystem.

Table 2: basic principles for the design and co-development of a Cities Mission Action Plan

The 2030 Climate Neutrality *Action Plan* development process is integrated into the Climate Transition Map and will be different for every Mission City. Where the city begins or spends most of its time along the CCC process will depend on the local context, the experience of the city with climate action planning and implementation, as well as with stakeholder and citizen engagement, financial planning, regulatory innovation and other systemic innovation work. The city's individual starting point for climate action and progress towards climate-neutrality will provide the foundation for its Cities Mission Action Plan. These approaches can build on various established systematic frameworks for climate and low carbon action planning, discussed in section 2.2.

The CCC concept draws on established climate and low carbon pathway approaches, such as the Green Climate Cities³¹ and the ICLEI Climate Neutrality Framework.³² The latter has helped inform the design of the Climate City Contract process both visually and as a way of breaking down individual phases into actionable steps.

4.3 2030 Climate Neutrality Investment Plan³³: Annex II

The 2030 Climate Neutrality *Investment Plan* framework is closely aligned to the 2030 Climate Neutrality *Action Plan*. Its aim is to strategically organize public resource and mobilize private resource at scale, in order to enable Mission Cities to reach climate neutrality.

It includes:

- Capital and operational **resourcing needs**

³¹ See *Green Climate Cities*. Available at: <https://iclei.org/greenclimatecities/>

³² See *Climate Neutrality*. Available at: https://iclei.org/climate_neutrality/

³³ Please note that these names are subject to change based on cities, Mission team and consortium partner feedback. Alternatives: NetZero2030 Commitments/Actions/Investment Plan, Cities Mission Commitments/Action/Investment Plan



- **Financial assessment of the actions** outlined in the Action Plan and corresponding direct and indirect co-benefits
- **Supporting policy mechanisms** to facilitate public budgeting innovation
- A **capital deployment approach**
- An **impact-monitoring framework**; and
- **Allocation between public and private capital** to reach climate neutrality until 2030.

What are the key pillars of the 2030 Climate Neutrality Investment Plan?

Within the CCC, the Investment Plan forms a critical part of a city's journey towards climate neutrality. Several key pillars have been identified, which will form the foundations for the development of the Climate Mission Investment Planning framework. We are working to ensure that a streamlined approach on data collection and other aspects is applied between the Action and Investment plans. Further details and guidance will be included in the CCC Resource Pack.

1. **Alignment with the Cities Mission Action Plan:** Importance to channel capital flows to key sectors as identified in a city's action plan
2. **Stakeholder and Citizen Engagement:** Identification of key stakeholders to develop and maintain the Cities Mission Investment Planning framework throughout the mission
3. **Data Collection:** Understanding of existing climate investment-related data, data collection, analysis and monitoring. This will be aligned with other data collection requirements as part of the Mission, especially the Action Plan
4. **Policy:** Identification of relevant policy areas and development of new policies within priority sectors with regards to investment and financing capacity
5. **Capacity Building:** Analysis of current investment capacity and technical assistance in order to integrate new approaches and structures
6. **Cost, Impact & Capital Planning:** Alignment of sectors and portfolio development as per the Action Plan, cost analysis, expected impact assessment and estimated cost allocation
7. **Impact Monitoring Framework:** KPI metrics and indicators, and development of a Monitoring, Reporting and Verification system to monitor impact
8. **Risk Analysis:** Risk identification and analysis, development of mitigation strategies, and monitoring

Whilst the above numerical presentation provides some guidance to the stages of developing the plan, the process of linking all pillars will be managed simultaneously.

4.4 The Mission Label

The Cities Mission Climate City Contract (specifically the 2030 Climate Neutrality Action Plan and 2030 Climate Neutrality Investment Plan) will be assessed by the European Commission to receive the "Mission Label", a quality assurance certification that is envisioned to unlock synergies with other EU



funding programmes and other funding and financing resources. Together with the 2030 Climate Neutrality Action Plan, the 2030 Climate Neutrality Investment Plan will be reviewed as a pre-condition to receive a “Mission Label” from the Mission, as a instrument to enable cities to better access resources and support from an array of EU resources and institutions.

5. Functional implementation process

The NetZeroCities consortium will support the development of local Climate City Contracts in the 112 Mission Cities (or more subject to future funding) via:

- Written guidance in the form of a Resource Pack. In an introductory form in September 2022, to be further updated by January 2023, with the plan to make this as interactive as possible
- Overall needs assessment, guidance and navigation by the City Advisors
- The provision of high-level online guidance materials and webinars by NetZeroCities on the portal
- Supporting in-depth sessions, deep dives and service design sessions by NetZeroCities partners, available via the portal and through referral by the advisors
- Maximising peer-to-peer support and interaction as cities can learn from each other's strengths and experiences, as well as learn together during the process of creating the CCCs
- We will be facilitating P2P exchanges and co-learning throughout the project. Forming online communities and working groups is a key aspect of the NetZeroCities portal design

5.1 Requirements

A Climate City Contract is considered as having reached its first full iteration when a commitment to climate neutrality by 2030 has been publicly declared and detailed in a public document which includes the 2030 Climate Neutrality Commitment with an annexed 2030 Climate Neutrality Action Plan and a 2030 Climate Neutrality Investment Plan, as the result of the city-wide co-creation process illustrated above. As previously discussed, iteration and changes will be expected and required.

5.2 Label award criteria

These are currently being explored and finalised by the European Commission Mission team.

