



# NET ZERO CITIES

## Annual Report: Stakeholder Consultation Panel

Deliverable D14.3

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This project has received funding from the H2020 Research and Innovation Programme under the grant agreement n°101036519.

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## Document Information

|                               |                 |
|-------------------------------|-----------------|
| <b>Grant Agreement Number</b> | 101036519       |
| <b>Project Title</b>          | NetZeroCities   |
| <b>Project Acronym</b>        | NZC             |
| <b>Project Start Date</b>     | 01 October 2021 |
| <b>Related Work Package</b>   | WP14            |
| <b>Related Task(s)</b>        | T14.2           |
| <b>Lead Organisation</b>      | ICLEI           |
| <b>Submission Date</b>        | 29/09/2023      |
| <b>Dissemination Level</b>    | Public          |

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## Abbreviations and acronyms

| Acronym | Description  |
|---------|--------------|
| WP      | Work Package |

## Summary

The purpose of the Stakeholder Consultation Panel is to contribute to the strengthening of a multi-level policy dialogue and alignment of policies towards climate neutrality for cities across the EU, national and regional levels. A second, equally important purpose, is to gather proposals on how to improve policy, strategy, and programme alignment to feed into policy recommendations (White Paper) for Mission Cities and relevant stakeholders.

The concept for the Stakeholder Consultation Panel was developed in collaboration with partners and relied upon input coming from Mission City needs. It provided a space for experts (in terms of horizontal and vertical engagement) to discuss experiences and ideas on what approaches need to be strengthened to enable cities to pursue climate neutrality more effectively. By linking experts at different levels, NetZeroCities is building capabilities suited to city conditions and supporting new alliances and collective efforts.

A summary of expert insights from the session will be fed into Policy Labs and will also inform the White Paper in due course.

## Keywords

Stakeholder engagement

Expert policy dialogue

NetZero Buildings



## 1 Introduction

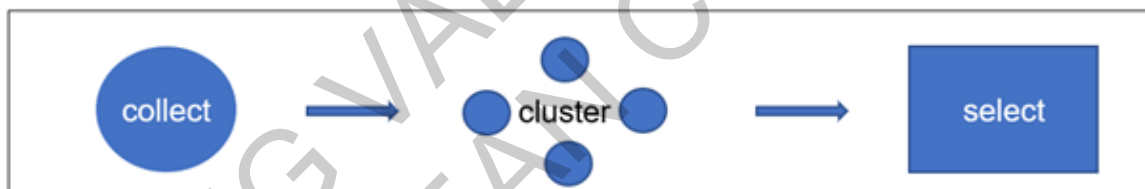
The engagement and participation of stakeholders is a decisive element for effective municipal energy and climate planning and for the implementation of goal-oriented measures. A vital part in this is the discussion of how policies may be of support in the implementation of the EU Cities Mission.

Evidence from NetZeroCities research and analysis shows that alignment between European, national and local plans and/or strategies for climate neutrality is vital to support cities achieving their goals. This requires more cohesion and effective coordination regarding multi-level governance. Therefore, the first panel focused on the thematic area of **NetZero Buildings**, in particular on the forthcoming Energy Performance of Buildings Directive. Policies and investments are lagging behind technological progress, which presents a challenge and opportunity for policy-makers and stakeholders. Panelists were invited to reflect on the following questions (see 2. Methodology) and discuss possible policy recommendations and needs for the EU level.

## 2 Methodology

In order to select a topical focus, a concept for content-gathering for the Stakeholder Consultation Panel was developed. To ensure the collection of relevant cities' needs and asks, several feedback rounds with consortium partners were defined. The priority was set on partners directly involved with analysing cities' needs, i.e. WP 1, WP 10 (to some extent) and WP 13 who supported by completing a survey ([link](#)). Further rounds also involved partners from WP 14 and the consortium via the NZC Executive Meeting.

An initial overview of cities' needs was created, and they were clustered according to sectors (e.g. energy), as well as cross-cutting thematic aspects (defined via the cities' needs assessment in 2021, D.13.1, D14.2, e.g. governance). Based on the clustering, a topic for the SCP was then selected. A more detailed profile for each input was gained via the survey. Initially, this included the name of the input provider, the item (=topic, question), sector, city type, item raised by, which cross-cutting policy area to be addressed, the integration potential between sectors and proposals for policy recommendation or specific requests to EU institutions (if available).



This ensured that the session picked up on current city needs and built on highly-relevant policy themes that can be effectively addressed at EU level. In addition, common challenges for cities could be identified and support for improving the implementation of their CCCs pursued. For 2023, this led to the identification of NetZero Buildings as the thematic focus, particularly with a view to the status of the Energy Performance of Buildings Directive. In regard to cross-cutting topics, the focus was set on Governance & Stakeholder Engagement and Funding & Financing.

The participant selection was based on the mapping and workshops in T14.1. Consultation ensured that key stakeholders were identified and invited to participate. In a stakeholder mapping process, stakeholders were divided into "core members" and "topical members". The former ones will be invited to all three SCPs, while the topical members are invited based on the topic selection and their expertise. The stakeholder selection was based on the following criteria:

- strong/direct impact on European policies
- external to consortium/ not associated to project
- balance of type of organisation
- expertise on various relevant topical areas
- European level
- representatives of European institutions & organisations



- not part of NZC projects

Associated partners of the project, as well as consortium partners, had the possibility to participate as observers with limited speaking rights. This ensured the exchange of relevant information while maintaining the focus of the session on exchange amongst stakeholders to discuss in a “safe” environment.

The event took place on Wednesday, 5<sup>th</sup> July from 10:00 – 12:00 CET. A structured agenda for the session was formed along 3 parts, starting with a welcome and introduction to the Mission. Following this, two short presentations provided context to current policy developments in the Buildings sector on an EU level and on a Member State level. Two experts were invited, Andreas Jäger from ICLEI Europe and Dr. Justyna Glusman from Renovation Wave, Poland.

All participants were given the opportunity to highlight the questions they perceived as most pressing for discussion in advance, which demonstrates our demand-led approach. A selection of questions is listed below:

- What can cities do to dramatically increase building renovation rates?
- What type of regulatory support do cities need most?
- How can working with a wide range of stakeholders be most effectively managed?
- How can the MFF be reformed for more direct funding for cities?

The main part of the event centered on interactive discussion. To maximize the connections between all expert participants and enable an in-depth discussion, the participants were assigned into break-out groups of between 4-6 people. In two rounds of approx. 20 minutes, participants addressed two specific questions:

1. What types of interventions relating to Governance and Stakeholder Engagement are required to improve the alignment and impact of Buildings policies to accelerate and progress on NetZero objectives in cities?
2. What types of interventions relating to Finance and Funding are required to improve the alignment and impact of Buildings policies to accelerate and progress on NetZero objectives in cities?

The session concluded with a plenary round with final reflections and comments before closing at the end of 2 hours.

| First name  | Last name     | Organisation                  | Job title   |
|-------------|---------------|-------------------------------|---|
| Diego       | Marin         | European Environmental Bureau | Policy Officer                                    |
| Stephen     | Richardson    | World Green Building Council  | Director, Europe                                  |
| Adrian      | JOYCE         | EuroACE                       | Secretary General                                 |
| Eleonore    | van der Lande | Solar Impulse Foundation      | Director Strategic Projects                       |
| Roxana Dela | Fiamor        | E3G                           | Researcher  |
| Eva         | Brardinelli   | CAN Europe                    | Buildings Policy Coordinator                      |
| Kamila      | Waciega       | HydrogenEurope                | Energy & Infrastructure Director, Hydrogen Europe |
| Sem         | Oxenaar       | RAP                           | Associate   |
| Christoph   | Gollner       | DUT Partnership / FFG         | Coordinator PED Transition Pathway                |



|          |            |   |                                       |
|----------|------------|---|---------------------------------------|
| Justyna  | Glusman    | Fala Renowacji Association                        | Executive Director                    |
| Georgia  | Cameron    | Dark Matter Labs                                  | Policy innovation lead                |
| Felix    | Kriedemann | REScoop.eu  | Project Manager                       |
| Jonas    | Schorr     | Urban Impact                                      | Partner                               |
| Étienne  | Métais     | CDP Europe  | Associate Director                    |
| Pauline  | Lucas      | Euroheat & Power                                  | Policy Director                       |
| Morgan   | Henley     | CEE Bankwatch                                     | Renewable District Heating Campaigner |
| Matthias | Wechsler   | Arup  | Circular Economy Consultant           |
| Vangelis | Marinakis  | National Technical University of Athens (DSS Lab) | Assistant Professor                   |
| Mar      | Jimenez    | EuroCities  | Senior Project Coordinator            |

Table 1. List of participants

| Timing | Agenda point  |
|--------|---|
| 10´    | <b>Welcome:</b> Julia Rawlins, Senior Officer Policy, ICLEI Europe<br><b>Introduction to NetZero Cities policy initiatives:</b> Holger Robrecht, Deputy Regional Director, ICLEI Europe   |
| 10´    | <b>Presentation - New developments relating to NetZero Buildings from an EU perspective (followed by questions &amp; comments)</b><br>Andreas Jäger, Senior Officer, Built Infrastructure & Sustainable Energy, ICLEI Europe  |
| 10´    | <b>Presentation – NetZero Buildings: learnings from policy development on Member State level (followed by questions &amp; comments)</b><br>Justyna Glusman, Managing Director at Fala Renowacji   |
| 40´    | <b>Break-out group 1 &amp; 2 – participants will be assigned to a break-out group to discuss ideas for interventions to improve the alignment and impact of Building policies for NetZero Cities. The first round will relate to Governance &amp; Stakeholder Engagement and the second round will focus on Finance &amp; Funding,</b><br>Discussions may look more closely at either private or public buildings, or new, as well as existing buildings, and discussants are invited to reflect on local / regional support needs in terms of technical assistance and pathways to overcome potential human / financial bottlenecks. |
| 25´    | <b>Plenary discussion</b><br>Summary of take-aways and potential policy recommendations   |
| 10´    | <b>Conclusions and next steps</b>   |

Table 2: Agenda

### 3 Key themes and recommendations





The first presentation provided an overview of EU policy developments.

### The Complex Web of EU Strategies & Laws

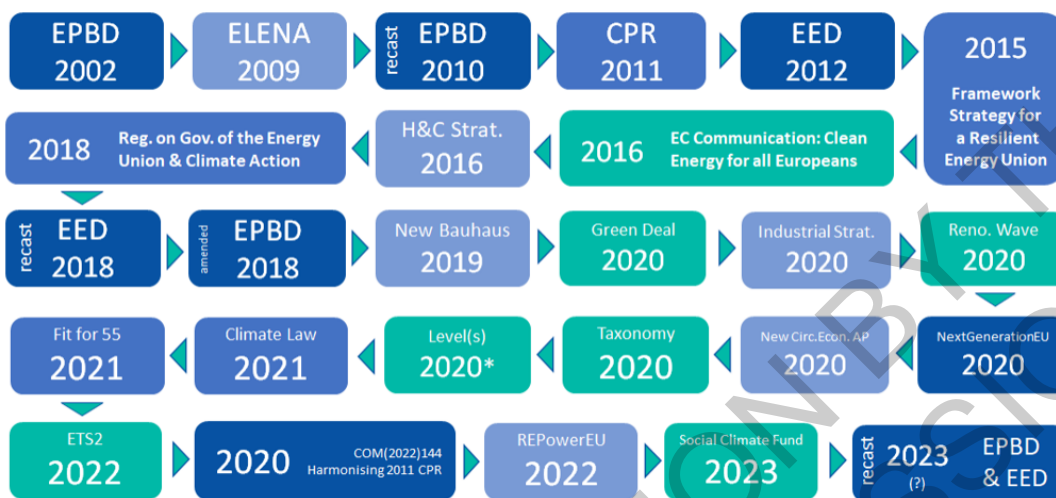


Figure 1: Complex web of EU strategies and laws

### Selected Challenges Highlighted by LGs

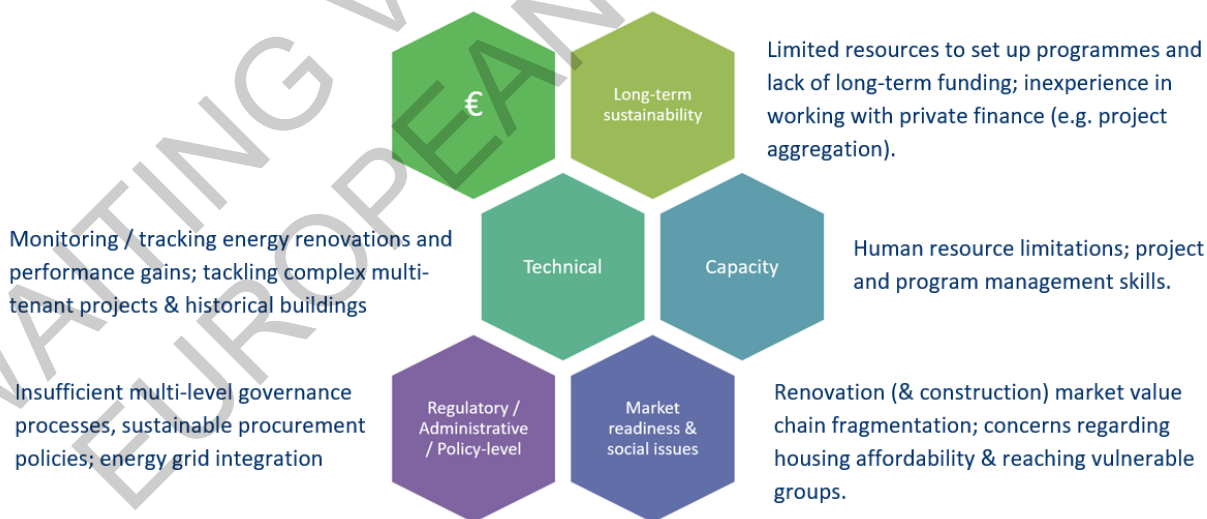


Figure 2: Selected challenges highlighted by local governments

Reflections from a local government perspective:



- Technologies & tools exist, but supply and demand remain fragmented
- Low hanging fruit: Government-owned buildings and land
- Private building stock: elephant in the room and more long-term effort needed
- LGs often held back by regulations / codes and standards beyond their control
- LG technical and financial capacities remain a bottleneck
- What can cities do to dramatically increase building renovation rates`?
- What type of regulatory support do cities need most?

The second presentation provided an overview from a Member State perspective.

**Massive retrofit of the municipal and private buildings, removal of the coal stoves and installation of renewables** carry the potential to bring about quick wins in terms of GHG emission reduction and at the same time address the major concerns of the society when it comes to climate-related issues.

**In order to meet the climate pledge the cities will need to refer to following actions:**

1. **utilise possible capital-rising opportunities/verify revenue policy (tools such as Green Bonds, LVC, agreements with IFIs)** and redirect all additional funding to climate-related investments;
2. **refer to PPP or ESCO** formula for projects generating savings;
3. **obtain non-refundable financing from external sources**, both from national and EU sources;
4. **create local Revolving Funds** – to obtain a multiplier effect from ecological investments realised thus far and shift financial streams from pertaining savings towards future ecological programmes;
5. **set up institutional support** for assisting local units and citizens to retrofit full building stock by 2050.



Fala Renowacji



Figure 3: Recommendations from Poland

Summary of discussions:

### 1. Governance & Stakeholder Engagement

Experts agreed on a range of common areas, most notably

- the need to build on existing stakeholder engagement initiatives and roadmaps

There are established stakeholder engagement **processes**, e.g., relating to the EPBD, which can be built upon by more actors. The World Green Building Council and Solar Impulse have produced **roadmaps**, e.g., in Spain and France, which demonstrate a potential path towards driving forward building renovation strategies.

- the challenge of subsidiarity, political alignment, and national influence

As cities are good at bringing forward renovation programmes, it is important to design mechanisms to ensure that **political interference with programmes will be reduced** (also to ensure a long-lasting programme-/ policy planning). Businesses need a lasting programme for their long-term planning.

Building performance policies should take into consideration the **district approach** which is the best way to utilize locally available and sustainable heat/cold sources, such as waste heat.

- the need for communication, framing and needs of different actors



There is a need for information provision and coordination between the local & national level. It would be advisable to **link cities with national plans** (e.g., NECPs) and **ease legal requirements for participation**. Clarity of communication and access to information needs to be administered better and requires resources.

## 2. Finance & Funding

Experts agreed on a range of common recommendations and observations, most notably

- the range of support needs of cities

There is a need for the Multiannual Financial Framework to include **direct funding for local authorities and more support schemes**. If capital cities can access support from the EIB (through ELENA, for instance), smaller municipalities who are engaging in projects are not big enough to be eligible for the fund.

Support is needed for city authorities to **engage with private sector actors with more confidence** and a better understanding of business' role as future value-drivers rather than just money-makers.

Support for local authorities to access and manage funding to achieve their climate protection obligations is needed. Some Member States have developed **national programmes to support local authorities financially** in the realisation of their heat plans (e.g., Netherlands funded dedicated staff, Baden-Württemberg [DE] which can cover up to 80% of their costs).

- Transparency and visibility

There is potential to **improve transparency at national level**, e.g., in NECPs and be more honest about their status in the finance part, or to declare details of how much hydrogen/ carbon removal they are planning.

An increased visibility towards the public was highlighted as important, especially to help form a clearer picture regarding self-governance. Cities do not anticipate the EU directives – therefore it is important to **have information campaigns and well-established links with the subnational level**, esp. with a view to available finance schemes.

- Public / private sector collaboration

There needs to be a greater **connection between planning and investment plans**: the stationary building field is most significant and investment plans currently do not correlate.

It would be worth governments and cities investigating how to **explore / broker relationships with pension funds**, as too little is funded into ESG / climate positive / SDG-aligned real estate investments and Venture Capital (in the US, the investment ratio is 14% in VC of public pension funds, in EU it's <1%).

- Data and governance approaches

Cities need to start by taking stock of how much investment for renovation is needed in their city, and they must be **guided towards adopting a data-based approach**. However, there is a problem of limited capacity or missing models to calculate and implement such evidence-based approaches

A positive development relating to the energy building directive was noted, in that for the first time, national plans require Member States to **plan efforts ahead** (a template detailing how to draft own plans that help to compare efforts between Member States is included). An example model can be found at this link:

[https://pathwayexplorer.climact.com/pathways?visualisation=0&region=AT&source=modelso\\_urce&scenario=REF+%28Not+country+specific%29](https://pathwayexplorer.climact.com/pathways?visualisation=0&region=AT&source=modelso_urce&scenario=REF+%28Not+country+specific%29)



#### 4 Conclusion and next steps

The panel session contributed to the following aims:

- Brokering and facilitating multi-level dialogue across the EU
- Addressing gaps in regulation and dialogue
- Allowing NGOs to step into the dialogue
- Communicating the discussion into the Mission (Mission Team, Cities, Consortium)
- Identifying the legislative process that will be influenced
- Developing one voice
- Informal influence on the MS and EC
- Introducing private companies to an open space for exchange and potential collaboration at EU level

The expert discussions during the Stakeholder Consultation Panel will be summarised and shared with partners. They will also feed into the content development of the Policy Labs which are scheduled to begin in autumn 2023. Finally, the insights will also contribute to the White Paper highlighting policy recommendations for decision-makers.

The engagement and participation of stakeholders is a decisive element for effective municipal energy and climate planning and for the implementation of goal-oriented measures. It was evident from the high-response rate and extremely low no-show rate, that participants valued this opportunity to engage with NetZeroCities on a timely and significant policy issue. The participants expressed interest in the continuation of such discussions to address how policies may be of support in the implementation of the EU Cities Mission.

