



NET ZERO CITIES

SGA2-NZC

Report on completeness check

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Abbreviations and acronyms

Acronym	Description
CCC	Climate City Contract
CIP or IP	Climate Investment Plan
CAP	Climate Action Plan
NZC	NetZeroCities
BwB	Bankers without Boundaries
FS	Frankfurt School
SP	South Pole
UPM	Universidad Politécnica de Madrid
VC	Viable Cities

Summary

The Climate Investment Plan (CIP) is a crucial element of the Climate City Contract (CCC) developed by all cities participating in the EU's Mission to have at least 100 cities achieve climate neutrality by 2030. Tailored feedback and pre-submission coaching support provided by NZC Finance Theme partners gave cities greater insight into stakeholder roles, budgetary processes, and the development of project-level financial data. Cities have leveraged this new knowledge and understanding to refine their financial strategies and align their CIP with their Climate Action Plan (CAP), detailing the current investment landscape, future financing pathways, and the necessary enabling conditions to facilitate capital flows. This collaborative process has empowered municipalities to mobilise capital and allocate resources more effectively in support of their climate goals.

Keywords

Pre-submission coaching, Climate Investment Plan, Climate City Contract.

Introduction

All cities participating in the EU's Climate-Neutral and Smart Cities Mission are required to develop a Climate City Contract (CCC) that details their commitments and overall strategy for achieving climate neutrality by 2030.

Together with the Climate Action Plan (CAP), the Climate Investment Plan (CIP or IP) is a fundamental part of the CCC. The CIP outlines a city's current climate investments, identifies future investment pathways, and sets out the enabling conditions that are necessary to meet its climate goals.

Finance Theme partners in the NetZeroCities (NZC) consortium have used a coaching model to help cities refine their CIP prior to submission. This approach was adopted with the aim of ensuring CIP alignment with climate neutrality targets while also building local capacity, including enhancing the ability of cities to effectively communicate their financial objectives and plans. Coaching sessions focused on understanding the existing investment landscape, defining actionable investment pathways, and addressing the specific roles of stakeholders in achieving climate objectives.

From February to September 2024, 52 cities took advantage of this pre-submission coaching, receiving tailored guidance within days of requesting support. Through city advisors, the coaching opportunity was communicated in multiple waves to cities and the finance coaches were available on short notice (draft CIP turnaround times and meetings were organised in a few days' notice). This hands-on approach gave Finance Theme partners a deeper understanding of cities' financial frameworks and provided a solid foundation for the detailed feedback shared post-submission. CIPs reflect diverse capital expenditure forecasts, encompassing sectors such as transport electrification, energy transition, waste management, and nature-based solutions. These plans underscore the unique priorities and capacities of each city while collectively addressing the broader mission of decarbonisation and resilience. Through feedback and coaching, cities were empowered to strengthen their financial strategies, ensuring greater clarity and feasibility of their climate action efforts.

1 What is a Climate Investment Plan?



Figure 1 : What is a Climate Investment Plan?

The following key components or considerations are crucial to developing a robust IP that will support the successful implementation of a city's CCC. Developing a robust CIP to support a city's CCC requires alignment with the CAP. While distinct, the CIP should build on the actions detailed in the CAP, quantifying the capital needed and identifying financing sources. The focus of the CIP is economic and financial planning to achieve climate neutrality by 2030, detailing costs, capital allocation, and expected benefits. By providing sector-specific estimates for public and private contributions, the CIP ensures appropriate financial instruments (e.g., sustainable bonds) are integrated.

A city-wide approach is essential, addressing both public and private emitting assets and leveraging policies and incentives to promote climate-neutral business models. The CIP must capture all emitting sectors, from energy to transport, linking top-down cost planning with a bottom-up portfolio of investable projects aligned with CAP goals.

The CIP should evolve iteratively, incorporating lessons learned to tailor solutions to the city's needs, with the first version laying the foundation for future refinements and progress tracking through specific indicators.

Acting as a catalyst for large-scale capital, the CIP should clearly outline climate actions, expected impacts, and required investments, in order to build trust and confidence among financial institutions. Its success relies on multi-stakeholder participation, including the city administration, citizens, businesses, and societal groups.

Unlike typical budgetary planning, the CIP takes a long-term view, projecting costs and redirecting public spending toward climate goals while encouraging private investments aligned with climate neutrality objectives.

2 Cities that Received Pre-Submission Coaching¹

Cities were provided with financial coaching upon request. In general, the response time between a request being made and the provision of coaching support was between five and eight business days. Coaching was provided by Bankers without Boundaries (BwB), Frankfurt School (FS), South Pole (SP), Universidad Politécnica de Madrid (UPM), and Viable Cities (VC) partners. 52 of cities in Figure 2 received coaching. Through city advisors, the coaching opportunity was communicated in multiple waves to cities and the finance coaches were available on short notices. (Draft IP turnaround times and meetings were organised in a few days' notice.) Some cities received coaching support on their CIP as a whole, while others only required support with certain sections or parts.

1. Aachen	21. Porto	41. Reykjavik	61. La Louviere
2. Münster	22. Suceava	42. Rome	62. Lund
3. Prato	23. The Hague	43. Tartu	63. Nantes
4. Eilat	24. Kosice	44. Taurage	64. Paris
5. Bergamo	25. Liberec	45. Helsinki	65. Riga
6. Bologna	26. Bratislava	46. Vilnius	66. Sarajevo
7. Brussels Capital Region	27. Dortmund	47. Aarhus	67. Utrecht
8. Bucharest	28. Leipzig	48. Amsterdam	68. Athens
9. Dublin	29. Munich	49. Angers	69. Eindhoven & Helmond
10. Gavle	30. Dresden	50. Bordeaux	70. Gabrovo
11. Milan	31. Oslo	51. Budapest	71. Krakow
12. Trikala	32. Stavanger	52. Copenhagen	72. Łódź
13. Turin	33. Warsaw	53. Differdange	73. Podgorica
14. Umeå	34. Wrocław	54. Dijon	74. Rotterdam
15. Antwerp	35. Helsinki	55. Dunkerque	75. Rzeszow
16. Gothenburg	36. Glasgow	56. Elbasan	76. Sofia
17. Liepāja	37. Helsingborg	57. Gozo	77. Trondheim
18. Miskolc	38. Bristol	58. Grenoble	78. Velenje

¹ Coaching provided between February and September 2024.

19. Kranj	39. Cork	59. Groningen	79. Zagreb
20. Ljubljana	40. Padova	60. Istanbul	

Figure 2 : Cities that were eligible for pre-submission coaching (Feb-Sept 2024)

3 CIP Coaching: Aims and Process

CIPs should include detailed information in three main areas:

- the current state of climate investment in the city (including current capital allocation and financial policy);
- investment pathways for advancing towards climate neutrality by 2030; and
- the enabling conditions that are needed for the city to meet its climate goals.

Cities that requested coaching were provided support in their efforts to identify and clearly express the required information in each of these areas.

The coaching process began with the requesting city submitting its CIP for evaluation by NZC Finance Theme partners. Once the evaluation was completed, a detailed feedback report was sent to the city. The feedback report included guidance and advice on areas for improvement and/or where more information was required. Where possible, the report also highlighted aspects of the CIP that had been well completed to serve as encouragement and/or an additional indicator CIP completion requirements (An anonymised example of a feedback report is provided in the Annex at the end of this document).

Cities that still required support with their CIP after receiving a feedback report could request one-on-one coaching sessions. These took the form of online meetings and/or e-mail exchanges between city officials and a finance coach, the local city advisor and/or other experts as appropriate.

4 Key insights

The coaching process provided useful insights into the varying priorities, capacity, and resource commitment of participating cities. Learnings and takeaways include:

- Capital expenditure forecasts indicate significant allocations for climate actions, with budgets varying widely based on local priorities and capacities.
- In general, there is a strong emphasis on mobility, built environment, and energy projects.
- In the mobility sector, the focus is on transport electrification, electric vehicle charging infrastructure, cycling and pedestrian pathways, and clean freight systems.

- For the built environment, efforts are focused on retrofitting existing buildings, constructing energy-efficient structures, and upgrading lighting and appliances.
- Energy projects target decarbonising heating, grid development, and renewable energy initiatives, with some cities exploring advanced technologies such as carbon capture.
- Though given relatively less emphasis than mobility, built environment, and energy, waste management and circularity projects are also well represented, particularly wastewater treatment and recycling projects, alongside early-stage circularity initiatives.
- Greening and nature-based solutions are also included in most CIP, highlighting their growing importance in sustainable development strategies.

The diverse range of investments and approaches to mobilising capital for decarbonisation and resilience included across all the CIP reflects the unique set of circumstances and, accordingly, priorities that exist in each of the cities. In general, these aspects of the CIP were well described and were not the main focus of the pre-submission coaching.

Instead, coaching support was primarily directed to issues such as stakeholder mapping, detailing the budgetary process, forecasting climate budget allocations, and developing sufficient project-level financial data. These areas were the most challenging for cities and were therefore where pre-submission coaching added most value. Key areas of support included:

Identifying stakeholders – and their various roles and influence – in climate investments: Climate projects often require collaboration across public and private sectors, utilities, financial institutions, and community organisations, which collectively represent a diverse range of viewpoints, priorities, and influence. Aligning these stakeholders and clarifying their responsibilities proved challenging for many municipalities

Detailing the budgetary process for climate projects: Municipalities struggled to allocate resources accurately due to fluid economic conditions, evolving climate policies, and unpredictable funding streams. This challenge was compounded by the absence of financial data (capital expenditures and operating expenses) at the project level, making it difficult for cities to estimate costs, benefits, and returns. This lack of detailed financial information had a cascading effect that made it difficult for municipalities to justify budget requests, forecast long-term climate budget allocations, and demonstrate the financial viability of projects to potential funders. Working with cities to address the gaps in budgetary and financial data needed for the CIP, particularly at the project level, was a significant part of the pre-submission coaching support.

Conclusion

The development and refinement of CIPs through detailed feedback and one-to-one coaching sessions has made a major contribution to ensuring cities are well placed to achieve the goal of climate neutrality by 2030.

The pre-submission support provided has significantly enhanced the quality of CIPs and enriched municipal insight into the current investment landscape, the necessary enabling conditions, the different roles and priorities of stakeholders, and many other factors that influence climate investment and activity in their city.

These enhancements in documentation, planning, and understanding have strengthened the ability of cities to mobilise financial resources and roll out actionable strategies that will accelerate their progress towards their climate ambitions.

Annex – Example of CCC Investment Plan Feedback

Pre-submission feedback on Investment Plan for city X (city name removed from actual feedback document)

Strategic Comments	Feedback prompts
<p><i>Comments on the foundations of the investment plan (angle, narrative, assumptions behind it) which can be rethought to gear the CCC towards better impact.</i></p>	<p><i>Insightful guiding questions, practical changes of argument and other actionable points which can support course correction on the point made in the strategic comments.</i></p>
<p>Section A should provide background and context. It should set out the historical experience and current situation in the city as regards relevant funding and investment. This includes, for example, providing a breakdown of how the city receives funding (e.g., city tax, property tax, etc), detailed information on any previous experience with climate investments, and an assessment of any existing and/or historical barriers to climate investment faced by the city.</p> <p>Section A has been completed and is in excellent shape for final submission. The city of X should be proud of its ability to gather such a substantial amount of data on its climate action budget and compile an extensive list of external stakeholders committed to providing additional resources. A few minor suggestions have been noted in the right column, which, if addressed, could help the city achieve a higher score in the review process.</p>	<p>A1</p> <ul style="list-style-type: none"> Part A1 is complete, comprehensive, and well-structured. The city has successfully integrated all aspects of the previously provided feedback. The level of detail in Table 4, which outlines external stakeholders and their commitments to climate action across different fields within the city, as well as the high level of detail on projects from municipal companies, is particularly impressive. To achieve the maximum possible score in the review of this section, it would be beneficial to include a few sentences on the city's budgetary processes, providing relevant context (e.g., before Table 1). How are budget allocations for climate actions decided in the city? <p>A2</p> <ul style="list-style-type: none"> All tables in this section are presented with a high degree of granularity. Table 6, which breaks down the city's main income sources into subcategories, and Table 7, which details capital sources by stakeholder and type of source, are highly informative and well done.

	<ul style="list-style-type: none"> Table 8, which presents climate action budgets by department, including historical, current, and forecasted budget allocations, is impressive. This section is expected to receive a high completion score, with no additional recommendations needed. <p>A3</p> <ul style="list-style-type: none"> Table 9 on barriers for climate investment is completed. Please consider making it more clear in the verbal description which would be the potential solutions to each of these barriers. The reviewers will appreciate to identify it more easily. Consider also adding stakeholders that can support to solve these issues to be able to achieve the maximum score.
<p>Section B is the most challenging part of the investment plan, but it is extremely important.</p> <p>It is essential that an investment plan for transitioning to net zero includes detailed information on the costs of the transition and how these will/could be financed.</p> <p>B1 should provide an exhaustive breakdown of the cost (and benefits) of achieving net zero in the city via the climate actions that are identified in the investment plan.</p> <p>B2 should provide detailed information on how these costs will/could be financed. Some useful questions to ask when completing this section include:</p>	<p>B1</p> <ul style="list-style-type: none"> Comprehensive textual context is provided on the city's ambitions for climate neutrality across each field of action. Table 10, which outlines the sectoral costs on the path to climate neutrality, is complete and offers a high level of detail for each field of action. However, please consider filling in the last three boxes regarding co-benefits in the energy and waste fields of action projects mentioned in the table. There is a minor internal comment in this section that was overlooked; please remove it. Table 11, which highlights the most capital-intensive projects, is complete and well done. It's great to see that the city has already secured 100% of their costs, either through internal funding or additional resources from the national or EU level.

<ol style="list-style-type: none"> 1. How much is covered by municipal budget allocations and how much needs to come from other sources? 2. How will/could the city finance the proportion of costs that are not covered by the municipal budget? e.g. green bond issuance, bank loan, private investment. <p>Providing comprehensive information in these sections is essential for receiving a good assessment score from EC evaluators.</p> <p>B3 focuses on developing a monitoring, evaluation, and learning framework to judge the implementation and effectiveness of capital deployment over time.</p> <p>The City of X has made great efforts in completing this section of their IP. It is encouraging to see that the list of indicators is nearly complete, along with a comprehensive list of planned projects for the path to climate neutrality. The city was advised to more clearly indicate which parts of their projects have not yet secured funding, as this is a crucial outcome of this section of the investment plan.</p>	<p>B2</p> <ul style="list-style-type: none"> • This section is important for identifying how much of the project costs or capital is already covered and what remains unfunded, in order to determine the city's investment gap. Please use the information provided in previous sections to complete Tables 12 and 13. These tables offer a different perspective on your climate projects, allowing advisors to later assess how much additional funding is needed for implementation. <p>B3</p> <ul style="list-style-type: none"> • Well done on completing Table 14 and Table 15 with the indicators. Please consider deleting the guiding text under Table 14. It's great that a textual explanation was provided regarding the city's difficulty in listing financial indicators; however, this section may not achieve the highest score in its current form.
<p>Section C focuses on the enabling factors to help deploy capital to implement the plan.</p> <p>C1 considers policy: can any policies be identified to facilitate capital flows (both directly via permission to issue bonds, and indirectly e.g. increased parking charges in the city centre with proceeds being used to fund climate action projects).</p>	<p>The city didn't have the time to complete this section yet.</p>

C2 looks at the risk management framework: what risks can arise on a project-specific and general level? How can they be monitored? How do we mitigate these risks?

Finally, **C3** requires a stakeholder mapping to see what relationships need to be built and how they can be beneficial, as well as an internal capacity assessment to judge where the city needs further support in terms of technical assistance, expertise, and human resource.

AWAITING APPROVAL BY THE EUROPEAN COMMISSION