



NET ZERO CITIES SGA-NZC

Mid-Project Insights Report

Deliverable D4.8 Peer-to-Peer Learning for Mission Cities & Pilot Cities

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Keywords

Peer learning, Mutual learning, Collective Sensemaking, Strategic Learning, Actionable Insights, Governance innovation, Private sector collaboration, Anticipatory Governance, Monitoring, Evaluation, Learning (MEL), Reflexivity, Multi-level integration, Innovative financing, funding, citizen engagement, Systemic levers, pilot activities, Climate City Contracts, CCC Implementation.

Summary

This report presents the insights and lessons synthesised from the peer-to-peer learning and sensemaking among Mission Cities and Pilot Cities regarding their climate neutrality actions. These mutual learning sessions were designed and delivered by the NetZeroCities Consortium partners working under Task 4.3 “Peer-to-peer learning and reflexive monitoring for Mission Cities” and Task 4.4 “Peer-to-peer learning and collective sensemaking for Pilot Cities” as part of the SGA1 WP4 “City Learning Programme.” The report covers a total of six learning sessions delivered from the beginning of the Grant Agreement until 1st April 2025.

Through the mutual learning events, 14 Mission Cities discussed four topics critical for the effective implementation of their Climate City Contracts. The learning focused on the topic of Multi-actor Collaboration indicated that private companies value city support like funding and technical assistance for their climate transition, especially for SMEs. Effective collaboration involves cities acting as facilitators and offering clear value propositions to the private sector to create co-ownership of the cities’ own missions.

The session on Anticipatory Governance helped build a shared understanding around political mandates and stakeholder engagement, and a consensus that integrating mitigation and adaptation is crucial for a city’s holistic climate neutrality. Challenges in the topic Reflexivity & MEL (monitoring, evaluation, learning) included data use, access, and standardisation, along with integrating pilot initiatives’ data into city-wide data monitoring systems. Engaging citizens often requires framing climate action through multiple co-benefits and quality of life for communities to create a stronger adoption and acceptance. Innovative Financing discussions highlighted the demanding process of obtaining funding from investment and credit institutions, the need for financial expertise within municipalities, exploring blended finance, and using green procurement instruments.

Through a structured process of stocktaking and reflection in thematic clusters (termed “Collective Sensemaking”), Pilot Cities from Cohorts 2 and 3 shared insights revealing challenges with governance silos, multi-level integration, aligning national funding with local needs, and often systemic barriers such as engaging the private sector due to stakeholder fatigue, capacity constraints and unclear value propositions. Common hurdles include internal capacity gaps, funding complexities, and the abstract nature of climate action for citizens and communities. Emerging good practices include peer learning and practice sharing, anchoring pilots within existing plans, investing in dedicated transition teams, and deploying creative communications and storytelling for wider outreach. Cities requested deeper, more specific discussions and focused storytelling for impact in future sessions.

The Collective Sensemaking cycle of sessions was followed by gathering detailed feedback from participants from Pilot and Twin Cities. The findings of these surveys are included in the final section of this report. For future sessions, they also asked for focused storytelling to share experiences more effectively. There is a demand for practical tools, increased cross-sector collaboration, and guidance on long-term strategic planning. Suggestions for future sessions included topics like carbon sequestration and nature-based solutions. Lastly, it was observed that there is a desire for greater collaboration between Pilot Cities and Twin Cities in the forthcoming stages of the programme.

1 Peer-to-peer online learning sessions with Mission Cities

Introduction and Process Overview

This section synthesises the insights from online peer-to-peer learning sessions with 14 participating Mission Cities. These sessions were designed to facilitate knowledge exchange and learning on four key themes instrumental in achieving climate neutrality – through effective implementation of actions embedded within Climate City Contracts (CCCs).

The process of organising the four peer-to-peer sessions involved close collaboration with SGA1 WP1 Task 1.1, which produced corresponding CCC implementation case studies, with a special focus on governance innovation. The NetZeroCities (NZC) Consortium colleagues who interviewed the Mission Cities and produced the respective case studies were the same as those who facilitated the peer-to-peer sessions and have PMs across both Tasks 1.1 and Task 4.3 – the sessions were designed and delivered under the latter. This collaboration ensured that leveraging the knowledge products (i.e., the CCC implementation case studies) would provide a strong basis for cities to connect and productively exchange knowledge and insights. Moreover, these city-led interactions also helped participating city representatives disseminate their best practices, promising solutions and strategic outlook with like-minded city peers facing similar barriers.

Representatives from cities including Gothenburg, Guimarães, Budapest, and Valladolid contributed to the discussions on Multi-actor Collaboration. Participants from Umea, Tampere, Valencia, and Parma (though unavailable) discussed Anticipatory Governance. Reflexivity & MEL sessions included representatives from Cluj-Napoca, Porto, and Barcelona. Multi-level Integration for Innovative Financing saw contributions from Aachen, Kozani, and Turku. Each topic had up to four main predetermined learning goals and linked learning questions, which helped the city representatives structure their interventions and presentations, and helped the facilitators in keeping the discussions on track. A digital Miro board was used to visually facilitate the presentation and capture the follow-up discussions ([link here](#)). The following sub-sections further elaborate the lessons and findings from the respective sessions.

1.1 Topic 1: Multi-actor Collaboration

Introduction to the topic and session details

Multi-actor collaboration involves public, private, and civil society stakeholders working together to tackle complex challenges, such as climate change, through shared planning and action. Since local governments cannot act alone, this session focused on the private sector as a key partner—valued for its innovation, resources, and ability to implement decarbonisation projects. The discussion explored how collaborations with businesses were structured in four participating Mission Cities, identifying key enabling conditions, motivations, and expectations.

- The participants from the cities were as follows:
 - From **Gothenburg Municipality in Sweden**, the Strategic Development Manager – Climate and the Development Manager for the Environment and the Climate Transition at the Environment Administration
 - From **Guimarães Municipality in Portugal**, the General and Innovation Coordinator and Operations and the Project Management Coordinator, at Landscape Laboratory (Laboratório da Paisagem)
 - From **Budapest Municipality in Hungary**, a representative from the Mayor’s Office of the Municipality of Budapest

- From **Valladolid Municipality in Spain**, the European Project Technician at the Agency for Innovation and Economic Development- IdeVa
- The Peer-to-peer session took place on 20th March 2025, from 10:00 to 12:00 CET.

1.1.1 Learning Goal: Support to Stakeholders

This Learning Goal explored the learning question: **What kind of support from cities is most valuable for private companies? What do cities need to provide such support?** The following subsections outline the key insights drawn from this section of the peer-to-peer learning session.

Access to funding: Companies particularly value city support that enables them to make concrete progress on their sustainability goals. Both large industries and small and medium-sized enterprises (SMEs) emphasise the importance of grants, subsidies, or co-financing opportunities to implement decarbonisation projects. Sometimes, the support entails providing capacity so that companies know how they can raise funds. Concrete examples of this effort include **Valladolid's decarbonisation grants** and the **technical consulting provided by Guimarães' Landscape Lab**, which helps reduce both financial and technical barriers to climate action.

Technical assistance and capacity building: As expressed by representatives from the cities of Guimarães and Valladolid, it is especially crucial for SMEs to have access to tailored guidance on developing climate action plans, measuring carbon footprints, or complying with sustainability regulations. Training workshops for their employees to build a shared vision for sustainability (i.e., its major strategic pillars and how to support the company in the right direction), individualised consulting, and sharing technical resources help strengthen internal capacities and ensure that commitments are translated into real implementation. Additionally, support towards measuring and monitoring companies' performance is also valuable — starting with basic and broad KPIs and then gradually focusing on specific products to explore how they can contribute to climate-neutrality.

Structured opportunities and forums for peer exchange and visibility: In highly decentralised municipal contexts like Gothenburg, several agreements and collaborations have been formalised. However, the key challenge — as well as an opportunity — is to establish a holistic framework that mobilises all the relevant companies in the city in a systematic and strategic way. Examples of these initiatives include the “Green Budapest” brand, the “Mission Ambassadors” programme in Valladolid, and the Climate Pacts in Guimarães.

Multi-stakeholder workshops, networking events, and thematic roundtables foster collaboration, build trust, and allow businesses to share challenges and best practices. As experienced in Budapest, the municipal support also helps facilitate regular dialogue amongst companies and encourages them to work under a more systemic and collaborative framework. This convening support not only ensures clarity for companies on the municipality's intent and objectives, but also helps companies situate their efforts within a broader ecosystem to learn from the frontrunners.

City branding initiatives, such as Mission Labels or Climate Ambassador programmes, also play a role in raising the motivation for companies for achieving their climate ambitions. These initiatives increase visibility and recognition of their decarbonisation efforts while offering multiple reputational benefits. These efforts are crucial for companies as they ensure the municipality speaks up and publicises the collective progress of the ecosystem toward climate neutrality.

1.1.2 Learning Goal: Stakeholder Collaboration

This Learning Goal explored the learning question: **How can cities best foster collaboration with and among companies?** The following subsections outline the main insights derived from this part of the session.

As presented by the city representatives, to effectively foster collaboration with and among companies, cities must act as facilitators, connectors, and capacity builders. Cities can foster collaboration by offering accessible, phased onboarding for companies, as seen in Guimarães, Valladolid, and Budapest. Shared platforms like workshops and thematic forums enable peer learning and co-creation. Supportive, flexible policies that involve companies in decision-making build trust and drive engagement. Moreover, these efforts also optimise the use of the Mission Label as an advantage for companies when collaborating with the municipalities or the EU agencies.

Proactive partnership management. Cities need to invest in dedicated, cross-departmental teams capable of managing partnerships, coordinating technical assistance, and maintaining regular communication. Valladolid successfully engaged 100 companies in a single year through a multifaceted and collaborative strategy. IdeVa (Valladolid Agency for Innovation) shifted from traditional approaches by breaking down departmental silos and leveraging the team's diverse expertise, networks, and knowledge. This city's transition team is not large but comprises members with highly specialised backgrounds and skills based on project needs. Processes or measures like targeted tenders, organising joint environmental events, and sustainability-focused subsidies were central to attracting companies.

Segmentation of companies depending on the sector and the area of interest, As expressed by Valladolid and Budapest, strategically nurtures a wider database to organise specific events and invite entities which are matched to contribute to specific projects – for e.g., the community-based deep retrofitting initiatives implemented by several cities under the Spanish URBANEW pilot project (co-funded through the NetZeroCities Pilot Cities Programme). In Valladolid, companies also sign a protocol when signing the CCC that clearly articulates the specific commitment they want to fulfil to achieve the city's net zero vision.

Facilitating sector-wide or value chain-based initiatives. Guimarães' 'Rapid Mass Engagement Workshops' bring together companies, often competitors, to foster collaboration around shared goals and co-create cross-sectoral strategies. These efforts are part of broader sector-wide and value chain initiatives that involve not only individual firms but also their suppliers and customers, while promoting shared responsibility. Like Valladolid's industry-specific outreach events, Guimarães' sector-based consultations help align priorities and identify synergies across business ecosystems.

Clear yet flexible regulatory directions. City participants highlighted clear and stable policy frameworks which streamlined permit processes to initiate projects and offered opportunities to co-shape supportive local regulations. These made it easier for companies to commit to long-term investments and resources. In some sectors, the market is driving companies to act, while in others, companies are uncertain about what they can do, how to bring innovation to the market, and promote changes to their business models. These companies also need more extensive support from the respective cities, compared to others with a clearer agenda.

Level of engagement and autonomy as a key factor in working together. Budapest's representatives mentioned the importance of a "personal touch" for engaging larger companies. Organising meetings to get to know the companies better and to involve them in projects, formed a key strategy, especially targeted larger companies that are willing to invest in large-scale projects. SMEs and companies that are less engaged or less aware need to be systematically guided about their climate neutrality goals or potential for emission reductions. Some are ready to work together and develop initiatives, while others are not yet ready to take the first step.

1.1.3 Learning Goal: Private sector commitments.

To secure concrete commitments and ensure follow-through, cities need to offer clear value, structured engagement, and sustained support. To explore this issue further, one of the learning goals dealt with the learning questions: **How can cities effectively persuade stakeholders to make concrete commitments and follow through with real action? How can cities monitor the progress of their implementation?** The following subsections present the lessons shared by the city representatives.

Flexible entry points to motivate companies' commitments. Cities can introduce low-pressure and symbolic commitments as starting points towards tangible actions (e.g., Guimarães' Climate Pacts), aligned with companies' needs, prerogatives and internal goals (e.g., Budapest's strategy) instead of legally binding commitments. After this first step, the city could then gradually guide its stakeholders toward more formalised agreements.

Link commitments to city support. As seen in Valladolid, tying multi-stakeholder participation to tangible incentives such as grants, technical consulting, or public recognition, encourages companies to commit and act. Creating diverse forms and multiple levels of commitment that could be customised based on companies' readiness also helps align actions with existing capacities.

Tailored support for SMEs to reduce barriers. A representative from Valladolid highlighted that SMEs generally need help with technical planning, compliance, and data collection. Offering support here ensures they can meet commitments and report on progress. This is key when there is a large-scale auxiliary industry in the city (composed of numerous SMEs), as it happens in Valladolid. This means that the impact achieved by such industry will have significant ramifications on the city's net-zero targets as well. To address this, partnerships with collectives or associations can influence the wider private sector, especially when organising events to attract real commitments.

Combining incentives, support, transparency, and co-ownership can enable cities to shift behaviours of stakeholders from intention to action and then effectively track collective progress. For instance, deeper net-zero impacts due to city support were illustrated by the Zero Carbon Sports project in Guimarães. In this city, sports clubs receive municipal support linked to their sustainability performance, with net-zero-aligned plans earning a funding bonus, thereby giving them an edge over other clubs.

1.1.4 Learning Goal: Expectations from stakeholders.

This Learning Goal dealt with the learning question: **Are there 'business-internal' dynamics cities can play into in supporting businesses?** In all four cities who participated in this session, it was observed that stakeholders want to be more involved in contributing towards climate-neutrality. Cities can strategically align their climate initiatives with internal business dynamics to enhance engagement and support. Many companies — particularly larger firms — already have corporate social responsibility (CSR) goals, Environmental, Social, Governance (ESG) strategies, or sustainability KPIs. Cities can tap into these by:

Framing city initiatives as enablers of internal targets. For example, firms with decarbonisation or circular economy goals are more likely to engage if city programmes help them meet those objectives. For instance, in Gothenburg and Budapest, companies expressed interest in localising global sustainability targets through concrete city partnerships.

Offering data and tools that support internal reporting. Technical assistance and standardised metrics provided by the city can help businesses meet their ESG disclosure or audit requirements. Guimarães' tailored consultations are a good example of this.

Leveraging reputational incentives. Many firms value public recognition and want to be seen as sustainability leaders. Programmes like “Mission Ambassadors” in Valladolid align well with corporate branding and visibility goals.

1.1.5 Emerging Questions and Discussion Points.

Apart from the learning questions and goals covered in the previous sections, the discussion among the peer cities also invited questions from the participants. The additional learnings from specific cities that surfaced in the session are captured as follows:

Question for Budapest: Was the “Green Budapest” brand created in conjunction with the CCC? Was it backed politically?

The brand was created under the CCC to let companies showcase their contribution to Budapest’s climate-neutral transition. While politically recognised, it wasn’t driven by a political strategy. Efforts are now focused on defining its core values and creating an inner circle of companies for deeper engagement. Like Guimarães, the initiative includes a logo, website, and a label given to companies signing the Climate Pact, which they can use to signal their commitments to the green transition.

Question for Guimarães: Could you tell us more about the Landscape Laboratory’s (LdP) origin? Is it funded by the city?

The Laboratório da Paisagem (LdP), founded in 2014 by the Municipality of Guimarães and two universities, supports the green transition through applied research and innovation. Funded jointly by the city and its own resources, LdP has grown from three researchers to a diverse team of over 20. It builds expertise in areas like water quality and invasive species monitoring, and carbon foot printing, while also supporting SMEs with tailored sustainability strategies and serving as a key link between municipal goals and business needs.

Question for Guimarães: Are there any specific examples of incentives for companies to support/scale up their participation in your city?

When companies sign the pact, they can have access to support services from the LdP or other mission-relevant departments on their transitions. These companies are also prioritised and benefit from discounted carbon footprint assessments to help develop sustainability plans.

Summary of key aspects of the discussion:

1. **Formal Agreements & Branding:** Many cities use the Mission as a brand, as well as Green Deals, Climate Pacts, or local labels to formalise engagement and boost visibility. These have been helpful as frameworks to establish an overarching strategy to coordinate climate actions across many internal departments and external actors.
2. **Celebratory events—such as awarding labels—are catalysts** for reactivating stakeholder relationships and encouraging further participation.
3. Cities highlight the importance of having **in-house, cross-departmental teams capable of fast-tracking partnerships**. Regular meetings help maintain momentum, ensuring consistent engagement and accountability.
4. For SMEs and larger industries alike, **financial support and technical guidance** on how to advance on their climate transition are top priorities. Financial support, incentives, and bridging funds are essential for businesses to pursue decarbonisation projects.
5. **City as facilitator:** Rather than a top-down approach, cities that act as connectors — linking companies with finance opportunities and policy support — achieve a higher buy-in.

6. **Segmentation & targeting:** Some cities adopt a segmentation strategy, gathering detailed data and offering sector-specific outreach events.
7. **Shared platforms:** Creating forums or hubs where businesses exchange experiences to foster peer learning and collaboration. Encouraging sector-wide collaborations helps bring on board companies that might not otherwise see the direct relevance of climate action for their business.
8. For large companies, **one-on-one relationships** to understand the needs of the city and to propose project at scale work well.

1.2 Topic 2: Anticipatory Governance

Introduction to the topic and session details

Anticipatory governance is a decision-making approach to complex problems which enables systematic and innovative solutions which enhance a municipality's organisational capabilities and capacity. During this session, **organisational mainstreaming** (how approaches, methods, and tools have been adopted within an organisation), **enabling conditions** (conditions set within an organisation in order to adopt these approaches, methods, and tools), **impact** (measurement and assessment processes to evaluate the consequences an action may have on the system), and **integrations** (connecting different tools, plans, and efforts within a project and between the different missions) were discussed by the city participants for mutual learning about their anticipatory governance behaviours. The city representatives in the session included:

- Climate Adaptation Strategist from the **City of Umeå, Sweden**
- Representative from the Climate and Environmental Policy Unit at the **City of Tampere, Finland**
- European Projects Officer at Valencia Clima i Energia (Climate and Energy Agency), **Valencia City Council, Spain**
- Parma (Italy) provided material, but was unexpectedly unavailable for the event

Presentations by each city and a discussion facilitated by NZC Consortium practitioners took place on 25 March 2025, from 10.00-12.00, through an online format.

City-led sensemaking and discussion. The café style discussion of the peer-to-peer session on anticipatory governance was initially planned to be structured around four guiding topics and questions prepared by the organisers and facilitators: (1) Organisational Mainstreaming, (2) Enabling Conditions, (3) Impact, and (4) Integration. However, as cities had several emerging questions following their presentations, the facilitators used the opportunity to foster a city-led discussion, enabling a more natural format for exchanges and peer-to-peer learning. Cities were highly present and responsive during the session, so NZC facilitators provided space for them to lead the discourse and only guided cities in probing deeper with their responses and taking turns speaking.

Almost all emerging questions could be linked to the pre-defined learning goals. For this reason, this section retains the original structure of four learning goals (indicating the original question for clarification) while using the emerging topics and questions as subtopics for the synthesis of insights.

1.2.1 Learning Goal: Organisational Mainstreaming

Original Learning Question: *What steps have you taken/are you taking to move from experimentation with foresight tools to integration in governance practices?*

Mainstreaming foresight capability building.

Emerging Question: *How do cities foster foresight capability building of their staff?*

Tampere was asked to elaborate on their experience with foresight capability development activities in the city. However, the city expert was not familiar with the process in detail. Nevertheless, their experience indicates that it's not a widely known practice and is highly likely reserved for leadership-level personnel with the possible involvement of strategic-level experts.

Operationalisation and Processes. It was agreed that organisational mainstreaming was important for a systemic approach to anticipatory governance, but the practical implementation was unclear or limited. This perspective was expressed with a sense of regret. However, there was a willingness to attempt mainstreaming tools or methods from participants in the discussion, but little knowledge of how to begin or who should be the initiating force within their city.

1.2.2 Learning Goal: Enabling Conditions

Original Question: *What has helped (or hindered) your city in adopting more anticipatory ways of working? Are there specific organisational conditions, leadership styles, or partnerships that made a difference? Are there any inspirational practices you noticed from other cities?*

Political Mandate & Stakeholder Engagement. Stakeholder engagement is a crucial enabling condition for anticipatory governance and climate action. Umeå reflected on the importance of the mandate from the political level, which was obtained through the approval of the climate roadmap and climate budget. Moreover, it enables continuous engagement of city departments and companies that are involved in annual reporting and budgeting of the climate initiatives and actions, including providing emission data for their sector. Later on, the discussion circled back to the mandate or motivation that can also come from shared global goal systems like the SDGs or national objectives.

Building participatory culture. Tampere and Umeå have participatory traditions or long-term initiatives for the citizens. Tampere emphasised its five-year participation programme engaging localised actors (e.g., kindergartens, schools) and the participatory budgeting initiative. On the other hand, Umeå has built a citizen engagement tradition through a portfolio of participatory initiatives - from quick and efficient data collection using surveys to creative ways involving arts like theatre and dancing aimed at young people and young females, specifically. It allows for finding voices that are not normally heard and allowing for these voices to grow in stakeholder engagement initiatives. It's also an opportunity to educate on climate issues and risks while engaging in a dialogue and fostering partnerships with a common goal of anticipating risks and anticipating needs in a changing world. Furthermore, Umeå reflected on the need to remain quite vague when engaging on climate issues as it helps reinforce a dialogical culture that enables reflexivity and exploration of needs.

Aligning long-term goals with short-term needs. A major challenge for Valencia in the post-disaster period is the realignment of the city's priorities. Post-flooding damage has become the most pressing priority, redirecting the budget to the reconstruction efforts. It's currently the highest priority, above everything else, making it difficult to secure funding for anything else or engage in anticipatory planning for climate mitigation and adaptation efforts.

Prioritising Investment Opportunities. Even when given access to innovative tools or methods, without prominent investment opportunities, anticipatory ways of working fall short.

"We identified [developing adaptation pathways with support from European projects] as a very interesting opportunity for us. For those that you don't know, the Pathways to Resilience project is like one of the main projects from the mission of adaptation. And it has one very interesting feature for us, which is that they are not only providing technical support, but they are also providing cascading funding for regions and communities. I think that is key because other support facilities provide you maybe with access to et cetera., but they don't give you your own resources. You need to have that. And as I said earlier, it's a problem for us. With the pathways to resilience, we were able to have our own budget to hire people, et cetera."

Perceived Vulnerability. Valencia expressed that there is a ceiling to their ability to apply for EU projects to create investment opportunities – due to the high level of demand, more vulnerable cities (based on analysis by the JRC) are selected for emerging opportunities over those who already have proposals from across their country of origin. Valencia felt that in some cases, their proposals were discarded before ever being assessed.

“... it came to us as ironic that we have not been able to participate in this process because we were not vulnerable enough. And then we were facing this huge disaster.”

There are optics which must be considered by cities when they strategies their access to the proper enabling conditions (especially those with additional funding). This becomes uniquely complicated when the presence of national platforms is introduced.

National Platforms. In the Spanish context, National Platforms are attempting to provide support for adaptation, but at present, projects are operating in parallel instead of truly working together. There is a lack of integrated national actions, despite an emergent national action plan.

The Swedish context includes many levels of national platforms, including strategies for mitigation and adaptations, but have yet to begin work on integrating their mitigation and adaptation efforts. They do benefit from the Swedish Environmental Goals, which have been signed and ratified at a high level and can function as a framework across the governance system.

“.. for Sweden, we have the Swedish Environmental Goals as well. They can be the framework, and they can provide a platform to explore this. And since they are signed and ratified on a very high level, it trickles down. The groundwork is done by us, should be done by us. So that's a good way to motivate and bring together people in a mission-oriented mindset to work with these strategies... It still has a lot of challenging practicalities for getting it done and getting the right people in the room and people with mandate and not just seat fillers. To have an effective work process is something that I think is an ongoing challenge.”

In Finland, The Committee for the Future is part of the Finnish parliament and encourages collaboration across Europe. This is an attempt to bring foresight into the political process, with topics such as how to cope with various crises, technologies which can be used for climate neutrality, etc. They develop scenarios and elaborate the different possibilities to gain hindsight from training activities which might be implemented in the future should the speculated occasion arise.

1.2.3 Learning Goal: Impact

Original Question: *What innovative methods are other cities using to measure and show the impact of anticipatory actions, especially when benefits are long-term or involve avoided risks? And how are they engaging citizens and stakeholders in these efforts, building understanding and support for actions whose value may not be immediately visible?*

GIS Tools & Adaptive Pathways. EU projects such as GrowGreen and ARCH pathways have provided cities with opportunities to develop modelling and explicit analysis capabilities for anticipatory governance. But even with these abilities, it is a challenge for cities to know how to apply them.

“One of the big questions that we have in terms of this kind of adaptation actions is, okay, where should we start doing that? And with the kind of information that we used to have, we had no clue about that. We were not sure, for instance, which areas are hotter, which areas have more vulnerable people living in, which areas have less adaptive capacity. We were not able to understand that.”

Valencia has used these tools in prioritising investments and opportunities for action when developing resilience pathways. The “cascading funding for regions and communities” provided by these European projects, such as Pathways to Resilience, has been highly influential for this purpose, but not for taking further action.

Aligning impact monitoring across initiatives and projects.

Emerging Question: *Are there difficulties in aligning different monitoring systems of one or more projects in regard to capacities and/or resources?*

For Valencia, developing the correct capabilities does not feel like the main challenge – they are able to develop a team, but it is not realistic that the team remains static while the portfolio of projects they are involved with are constantly changing and pushing the team to adapt to the project's unique way of operating by building new capabilities. This growth is dependent on funding, so they are caught in stasis until financing arrives.

"The main problem is the lack of consistency between different projects... We have a team there. We are able to hire people to work on this. We are able to have the expertise to develop it. So yeah, maybe it's not consistent with the next one or maybe we stopped doing it later. But the main problem for us is for the rest of it, for the things that we don't have this budget to develop and then are just waiting there for the next project to arrive and provide us with funds."

1.2.4 Learning Goal: Integrations

Original Question: *How did today's session inspire you? Based on what emerged, how do you think your city could make better use of anticipatory governance to align climate mitigation and adaptation efforts? What strategies have you found effective in ensuring coherence and synergy between the two, and avoiding duplication of effort?*

Aligning climate mitigation and adaptation.

Emerging Question: *When working with mitigation and adaptation in the same programs or strategies, how have they been defined? Have they been bunched together or defined as separate tracks? Are they overlapping?*

Goals are often transferred from or inspired by previous projects within the municipality, but (Valencia) primarily follows the emissions tracking closely and does not focus much on adaptation. They are hopeful that a new adaptation plan can assist with this.

Designing KPIs for climate adaptation.

Emerging Question: *Finding indicators for climate adaptation can be difficult. When you have worked with adaptation goals, targets and KPIs, how have they been framed or phrased?*

For Valencia, broad-level goals come almost directly from the initiatives in which the city participates. The current set of goals for climate adaptation comes from the Adaptation Charter; an entry condition for this is to establish a set of general goals (not necessarily specific targets). In their case, the Mayor's Adapt initiative was the beginning of their work on adaptation and marked the moment when they established preliminary goals which have been in place since 2017. These are not precise KPIs and, therefore, have no monitoring action at a city level in terms of climate change adaptation – rather, the effectiveness of these actions is being monitored by the monitoring system of the project they originated from. The same was true for Umeå's involvement with the Grow Green Project, which uses the Eclipse framework designed for MBS projects at the EU level. However, once a project is completed, it becomes unclear whether the monitoring has continued or stopped. This responsibility was not maintained from the city side, and they are unsure if the project has been planned for this.

Tampere spoke to a lack of KPIs currently, but instead uses a *priorities* concept when collaborating and for use in workshops with consultancies, stakeholders, and unit representatives. They utilised the Disaster Resilient Scorecards for Cities (UNDRR) and carried out activities with an Eisenhower Matrix to establish the urgency and importance of various possible actions. They did not develop indicators,

specific goals or targets, but instead developed priorities. Both cities also referred to 'indirect' measurement of adaptation efforts through nature or biodiversity plans/indicators, e.g., green cover.

Key takeaways from the session by the cities (responses to the original learning question for integration):

1. Financial balancing measures at the city level support integration by linking climate goals, adaptation, and mitigation goals for cost-saving continuity.
2. Emphasis on data-driven decision-making can attract external funding to roadmap activities.
3. Create added value by using learning and training activities across the system.
4. Establish a culture in which finding the problem and solving it in an anticipatory manner is the norm.
5. Be inspired by seeing collaboration with different stakeholders and political mandates.
6. Messaging is important: engage stakeholders and the public in a productive way through positive narratives (*not framing climate action as limiting/regulating citizen behaviours, sharing easy actions, avoidance of negative messaging, addressing climate change deniers*) to ensure a strong political mandate.
7. Understand that how you work shapes how you think.
8. Integrate mitigation and adaptation mindsets to ensure continuity of activities and save costs.
9. Have the courage to dare to acknowledge conflict and “*stay in the trouble*” long enough to explore and move through it.

1.3 Topic 3: Reflexivity & MEL

Introduction to the topic and session details

Reflexive monitoring, from a broader perspective is a process of systematically reviewing and analysing monitoring data, actors' feedback, and contextual factors to gain deeper insights into a city's programme implementation and outcomes. It involves questioning assumptions, identifying gaps, and integrating lessons learned to improve future actions. It is an ongoing and participatory reflection within a complex and multi-actor change processes. Such stocktaking helps stakeholders continuously re-assess and adjust their actions, goals, and assumptions, considering new emerging insights and changing contexts. Beyond tracking KPIs, a reflexive Monitoring, Evaluation and Learning (MEL) practice focuses on making learning visible, surfacing what's being taken for granted, and co-developing better ways forward.

The Monitoring, Evaluation and Learning (MEL) system, developed by the cities within the CCC framework, relies on the reflexivity concept. It aims at being an ongoing process of retrofitting the initiatives definition and planned actions to better reach the defined commitments. To better understand the progress and assessing the impact of the initiatives being implemented, the MEL system is composed by a series of indicators, tracking not only environmental and social related indicators but also measuring the co-benefits derived from the initiatives implementation.

Participants from three different cities presented their lessons during the session:

- Mayor's Councillor at the **Municipality of Cluj-Napoca, Romania**
- Project Manager from AdEPORTo Energy Agency in the **Municipality of Porto, Portugal**
- The Director of Gabinet Tècnic de Programació (Technical Programming Office) in **Barcelona City Council, Spain**

Through the session, the cities of Barcelona, Porto, and Cluj-Napoca presented their holistic views of their city's MEL system, such as how it fits in their city's climate governance, as well as:

- **Process definition:** Collaborative and co-creation environment and the involved relevant actors in the design and implementation of the MEL process.
- **Measurement and monitoring:** KPIs definition, co-benefits, qualitative metrics, data collection processes.
- **Use and application:** Decision-making processes, communication strategies linked to MEL.
- **Learning and adaptation:** the iteration of the system and to what extent results obtained are used to improve the MEL system.
- **Outcomes and impact:** success stories, providing concrete examples that have been implemented in the cities and how it led to the intended or unintended changes.

The peer-to-peer learning session took place on the 1st April 2025 from 11:00 to 13:00 CET. The insights and lessons derived from the presentations and discussion are described in the following sections.

1.3.1 Learning Goal: Challenges and Barriers.

Learning Question: Which challenges or barriers were encountered during the design and implementation of the MEL process and which strategies helped overcome them?

Data use and access. The representative from Barcelona addressed that, from his perspective, one of the main challenges related to the MEL system is how the information extracted from the data is utilised. In some cases, their challenge emerges from being transparent and honest about the results obtained, as well as maintaining an optimistic message when the insights derived from the data are not sufficiently positive. The city highlighted that municipalities should be able to be transparent about the results obtained from the data analysis; however, political interests and the risk of public opposition might make it difficult to do so.

Barcelona also raised the concern on knowledge production and access. Sometimes they need a specific set of information or knowledge that may already exist. Yet, they end up developing the dataset themselves because of inability to find it or lack of access to it. The city indicated that there is a need for knowledge standardisation, especially regarding the MEL system. For instance, the city representative addressed the co-benefits of scope 3 emissions. Through standardising processes, all the cities may have access to the uniform datasets and results, instead of investing their resources to undertake separate research studies.

Barcelona concluded that the problem is not the lack of knowledge but rather, accessing and using the right information in each context. Finding the balance between local specificity with broadly applicable data insights should be overcome with a centralised data platform that gathers all the information, allowing optimisation of resources.

Prioritising, collecting, integrating, and aggregating the data. The representative from the city of Porto highlighted the challenge of prioritisation of data and how to find the adequate results in each context. For Porto, their main challenge is related to data processing, since the different departments within the municipality collect data from within, as well as inputs received from external

data sources and data providers. The information analysis and integration require substantial interdepartmental collaboration which, although it exists, is difficult to maintain consistently. The city argued that high workloads with limited staff, make it difficult to distribute the necessary human resources within the municipality to enable the maintenance and implementation of such information systems. Currently it is something that is difficult to implement.

Data update. The representative from Cluj-Napoca contributed their main challenge as keeping the data updated in real time. Considering that they face a highly dynamic environment – being a rapidly expanding and developing city – the numbers and results are always changing. For instance, the city is currently developing a project of building a new neighbourhood in the periphery of the city for 20,000 people, which will also add on the city’s continuous spatial development.

The city stated that it is hard even to maintain what was reported in their Climate City Contract (CCC) due to the rapid expansion. Although some changes are envisioned and provisioned, other factors are outside the scope of the municipality’s forecast or control. From their perspective, it is a matter of human resources management and resource allocation that enables the maintenance of the system, keeping it up to date. The provision of such an up-to-date system is less feasible in current circumstances.

1.3.2 Learning Goal: Project versus city-wide data aggregation

Learning Question: *What is the relationship between reporting to the NetZeroCities Pilot City Programme (PCP) versus aggregating all the data at the city-wide level? Is there any tangible link?*

The three participating cities, being part of the PCP cohorts, and the MEL process regarding the PCP reporting and the CCC MEL system could potentially be interconnected. The city representatives were asked about the relationship between reporting to the Pilot Cities Programme versus aggregating all the data at a city-wide level in the context of the CCC and whether there was a link between them. Understanding this connection could allow the reporting process to be more effective and less time-consuming for cities, as well as improve the synergies in light of newer funding calls initiated through the EU Cities Mission or executed through the NetZeroCities Mission Platform, such as those focused on Enabling City Transformation (ECT).

Porto highlighted that most of their team involved in the Pilot City Program is also involved in the city-wide Transition Team focused on CCC implementation. The city representative commented that both programmes are interconnected, since the PCP is also focused on ways to engage the community in climate neutrality and unlock their development and implementation strategy, as well as measuring the co-benefits and outcomes generated.

In the case of Barcelona, the city representative argued that for them is not really interconnected since their Pilot activities are technical and very specific to building retrofitting compared to city-wide tracking of climate neutrality progress. Besides, the multi-city pilot is also carried out alongside six other Spanish cities, which complicates the data aggregation and utilisation.

1.3.3 Learning Goal: Evidence-based policy decisions and citizen engagement

Learning Question: *Which communication strategies is your city implementing to enhance public awareness and improve engagement in relation to climate neutrality impact?*

One of the topics most cities regularly highlight is citizen engagement, and it is also connected with the process of CCC iteration, implementation, evidence-informed decision-making or policymaking. Participants emphasised the importance of effective communications in order to amplify city-wide results (both GHG reductions and co-benefits).

Citizen mindset shift. Cluj-Napoca opened the floor by arguing that for the working population, climate neutrality is not a priority, so not many of them are interested in the topic. Therefore, they shifted their approach to work with children and youth, where they had better results communicating and working. They are focusing on developing participatory budgeting in schools, mostly in the Mănăştur neighbourhood. While working with NGOs, they are also developing workshops, for e.g., teaching kids how to make bags out of old clothing to promote a circular economy. They found most parents are influenced by their children, so they believe working with children is also an effective strategy to reach adults. They also received valuable advice from the city of Valencia to partner with the local sports teams, which has helped them spread their message more widely. Cluj-Napoca also invited the other cities to give them successful examples on how to engage with low-income communities.

Network development in schools. Barcelona argued that for more than 20 years, they have been working on a network called “*Barcelona más sostenible*” (More sustainable Barcelona). This network includes schools, shops and social organisations and currently has almost 2000 members. These members, as well as the municipality, have recently renewed their commitment for another decade. The network has introduced 10 collaborative challenges to work on. However, their focus right now is on two: decarbonising the city and GHG mitigation and reducing water consumption. The richness of the network is that anyone can contribute to the challenges: from larger organisations to individuals and families.

Additionally, they have included these challenges in the 2030 agenda prizes initiative. This year, prizes will be delivered to recognise outstanding decarbonisation efforts from both nonprofit and for-profit sectors. Moreover, they operate a network of environmental education centres and have updated their climate education strategy to better target diverse audience — not just the already engaged — and aiming for broader, more inclusive outreach.

Impact roadmaps and community-led initiatives. Porto shared examples such as a recently launched series of impact roadmaps to connect citizens with visible and tangible climate actions. This is showcasing key sustainability initiatives like the Osprélia Central Park (their first energy community project) and an innovative community composting site, both implemented under the Porto Climate Pact. Under five of these roadmaps, they are also working with schools by installing solar panels. The city has established a competition to reward the school that saves the most energy within a month with a tree planting ceremony and a visit from the Deputy Mayor. Regarding transport actions, they have developed a public campaign through billboards inside buses and metros, thanking residents for using sustainable transport and helping reduce emissions.

Porto also mentioned that they aim to work towards the quantification of measurable impacts that could be influenced by these community-led initiatives. While these are not yet currently being accounted for, there is strong motivation in the city to do so. The city representative acknowledged that they have quantitative indicators for schools to measure energy production and energy saving. In the case of transport, they have ticket validations as one of the quantitative indicators.

1.3.4 Learning Goal: Cross-city collaboration

Learning Question: *Are there any specific practices that each of the participants would like to learn from other cities?*

Citizen engagement initiatives. For Cluj-Napoca, the outstanding examples of Porto and Braga have already been referenced for their communication strategy, while applying lessons from Porto’s participatory budgeting initiatives and Braga’s extensive collaboration with its mayors. They also expressed their interest in connecting with the other participants beyond this meeting and continuing the peer-to-peer collaboration.

Regarding the political acceptance, Barcelona stressed again the importance of co-benefits. Considering that citizens' health and well-being could enable raising political acceptance and framing the climate mitigation policy. This narrative could also help cities to communicate the definition and outputs of their MEL indicators.

Tracking of social and behavioural co-benefits. Porto shared they were very interested in learning how other cities track social and behavioural co-benefits — especially towards creating a shift in public awareness. For them, this is still challenging. Cluj-Napoca shared three parallel methods being used in the city: they hire a survey company which calls citizens randomly. They also have outreach organisations that work independently, surveying people randomly as well. These efforts give them insight into how policies or projects are received by citizens. They argued that if the feedback is positive or negative, that's a good sign since citizens have an opinion, whether good or bad. But when there's no opinion at all, it signals a communication failure, which concerns the city the most. The city representative from Cluj-Napoca also offered the contact of the organisation conducting these surveys to Porto, which they accepted.

Data and indicator simplification. Barcelona concluded that for them, the most important action they should undertake on MEL data is to agree on a smaller, replicable subset, perhaps from the 88 indicators that the NetZeroCities Consortium offers to Mission Cities. That way, the MEL system would be more practical and better suited for wider communication and decision-making. The same applies to consumption-based emissions tracking — selecting key KPIs per sector would help cities compare, learn from each other, and make the data more actionable.

1.3.5 Emerging Questions and Discussion Points

Data collection processes and private sector partnerships. Barcelona responded that they have multiple agreements with private companies. For example, they spotlighted the agreement they have with Vodafone, a mobile communication services provider. The company delivers anonymised data regarding phone use by citizens (to establish certain indicators of people's mobility at any given point in time), and using this, the city estimates better movement through public transportation, commuting and so on. In the theme of transport, the city also conducts surveys to know how and why people are commuting across various routes. For energy and emissions, the city primarily relies on data from energy distribution companies, often accessed through the regional government. The emission reduction calculations are relatively straightforward since Barcelona has key KPIs for energy, transport, and waste sectors. The main challenge lies in obtaining accurate and consistent KPIs that can be tracked annually.

1.4 Topic 4: Multi-level Integration for Innovative Financing

Introduction to the topic and session details

This peer-to-peer session explored multi-level integration and collaboration within and amongst various levels of government in the Mission Cities, with a specific focus on innovative financing mechanisms. Throughout the session, the city representatives and the NetZeroCities Consortium participants dove into the concepts and practical experiences around horizontal and vertical integration, along with the critical relationships Mission Cities have established to advance their climate-neutrality goals.

Representatives from three different cities presented during the session:

- Strategic Projects and Mission Manager from the **City of Aachen, Germany**
- The Climate Director from the **City of Turku, Finland**

- Post-Doctoral Researcher at the University of Western Macedonia representing the **City of Kozani, Greece**

The event was organised on 2nd April 2025 from 10:00 to 12:00 CET in an online format.

1.4.1 Learning Goal: Funding for climate projects

Learning Question: *What is your experience collaborating with the EIB and other international organisations to raise funding for climate projects?*

Turku has maintained a positive and ongoing relationship with the European Investment Bank (EIB) since 2017. The city representative highlighted substantial experience gained from the preparation of a €334 million investment loan package, including a €150 million framework loan. The process was rigorous, with the EIB submitting 127 questions to the municipality, approximately 30 of which focused on environmental, climate, and sustainability impacts. The preparation phase lasted approximately 18 months. Despite such complexity, Turku viewed the experience as constructive. It marked the beginning of a strong partnership with the EIB and led to improved internal collaboration between the city's climate, sustainability, and finance departments.

Turku also acknowledged that while the EIB's interest rates may not be the most competitive, the partnership offers other significant advantages. These include enhanced institutional cooperation, reputational value gains, and the stability of interest rates throughout project implementation. In Finland, the main municipal financing agency (one of the country's largest credit institutions) complements EIB funding by offering lower interest margins to municipalities that clearly demonstrate emission reduction trends, thereby leveraging a green financing portfolio. The city representative also emphasised that the successful preparation of EIB financing packages requires full commitment from a city's financial administration.

Aachen's collaboration with the EIB began in October 2024. Since then, the city has worked alongside various stakeholders, including Bankers Without Boundaries (from the NZC Consortium), their local banking institutions, and through emerging tools offered by the NetZeroCities Capital Hub. The city representative noted that working with the EIB introduced new challenges. Internal processes had to be adapted to meet the EIB's requirements, particularly around the level of detail and documentation required.

This complexity has highlighted the need for specialised expertise within the city administration. Currently, Aachen's team lacks the necessary capacity and competencies, and funding for a dedicated expert remains a key challenge. To address this, Aachen aims to hire a "financial architect" — a specialist capable of both identifying funding opportunities and designing financing mechanisms to support the city's transition efforts. The city representative also observed that EIB loan interest rates are generally less competitive than those offered by domestic German banks. This has created additional considerations for the city when weighing financing options.

1.4.2 Learning Goal: Vertical Collaboration

Learning Question: *How has your city collaborated with citizens or communities when trying to acquire funding while planning and implementing climate-neutrality projects?*

Turku highlighted the city's "1.5 Degrees" initiative, a comprehensive communication campaign designed to promote sustainable living among the city's residents. The primary goal of the initiative is to help citizens understand that their choices have an impact on the environment, while avoiding placing full responsibility on individuals. Rather than pressuring individuals, the initiative seeks to share the responsibility for sustainability between citizens and the municipality. To support this approach, Turku offers various services, including renewable basic heating, public transportation, and initiatives that promote a circular and sharing economy. These efforts are designed to make sustainable choices more accessible and practical for residents.

In Aachen, multiple campaigns have been launched to engage citizens on issues related to mobility and climate. The city representative emphasised the city's efforts to create green bonds as a means of funding climate initiatives. However, it was also noted that the concept of green bonds is still not fully exploited, primarily due to a lack of thorough understanding among relevant stakeholders. While the city has observed success with green bonds in German peer cities like Muenster, Aachen finds them to be somewhat complex and inefficient in aligning with current priorities. At present, the city is focusing on large-scale infrastructure projects, necessitating tools that cater to more significant investments.

In addition to larger funding mechanisms, Aachen offers smaller incentive-based programmes for citizens. These include financial support for cargo bikes, renewable energy installations, and home renovations. These programs aim to demonstrate the cost-effectiveness of sustainable measures, encouraging residents to adopt climate-friendly practices.

The CoLab project – Aachen's OneStopShop (OSS) for climate-neutral transition: Aachen is also working on the CoLab project funded through the NZC Pilot Cities Programme. It aims to establish a One Stop Shop (OSS) to assist citizens in implementing practices that will facilitate the city's climate-neutral transition. The OSS provides guidance on a range of topics, including home renovations, sustainable heating and mobility, funding incentives, and circularity. Through this project, Aachen seeks to empower its residents to make informed decisions that contribute to the city's broader sustainability goals.

1.4.3 Learning Goal: Private sector engagement

Learning Question: How can municipalities de-risk climate investments to attract more private sector funding?

Aachen raised an important point regarding the challenge of securing funding for projects that are not considered "bankable." She explained that many of the climate initiatives requiring investment have struggled to attract funding due to their perceived risk and lack of clear financial viability. For the municipality of Aachen, identifying appropriate funding sources for such projects has proven to be a particularly difficult task.

Turku shared insights into how municipalities in Finland are addressing environmental and social goals through impact investments. The city representative mentioned that there have been discussions within Finnish financial institutions on defining impact points for both environmental and social objectives. While some municipalities in Finland have successfully utilised impact investments to address social issues, it was noted that a clear pathway for climate-related impact investments has yet to be established.

Regarding private sector engagement, the city representative acknowledged that Turku has not directly mobilised private funding for its climate initiatives. However, there has been a notable increase in private investments contributing to emission reductions and sustainable energy usage. Turku has also supported private sector efforts in other ways. For example, the city's shipyard formed a collaboration with the municipal energy company to access renewable energy sources. Additionally, Turku has facilitated private sector involvement through public transportation and traffic planning, helping businesses integrate sustainable mobility practices into their operations.

1.4.4 Learning Goal: Innovative financing mechanisms

Learning Question: What lessons has your city drawn from designing and implementing novel financial measures such as blended finance or Innovative and Green Public Procurement?

Kozani shared that the city does not yet have a fully developed financial system in place but is actively exploring the potential of a blended financing model. At present, Kozani's primary focus is on securing funding from the European Union (EU) and the European Investment Bank (EIB). Dimitris also

expressed gratitude for the assistance provided by the NZC City Advisors, whose efforts have strengthened relationships and facilitated progress in these areas. Furthermore, Kozani is in ongoing discussions with the NZC Capital Hub and is organising a workshop with the EIB to explore additional funding opportunities.

Aachen noted that, like Kozani, the city is still in the early stages of implementing blended financing systems. Aachen is currently collaborating with the EIB and the NZC Capital Hub to explore potential financial mechanisms. In the short term, they plan to involve the local bank, which has also signed the Climate City Contract, and the city is optimistic that this collaboration will accelerate progress. While the municipality is still in the theoretical phase, they are working towards establishing the position of a Financial Architect to guide these efforts. The city representative also highlighted the value of knowledge exchange with Leuven, which has been instrumental in shaping Aachen's approach.

On the topic of green public procurement, Aachen recently launched the ECT project (Enabling City Transformation Call managed by the NZC Consortium) in partnership with the municipalities of Oslo and Košice. The project's kick-off in Aachen involved broad participation across multiple departments. Sustainable procurement has been prioritised in their Climate City Contract (CCC), and over the next 18 months, the city aims to integrate environmental criteria into its procurement processes. The objective is to move beyond simply being a large buyer to becoming a market-shaper. The city representative emphasised the strong interest across various departments and noted that, although procurement is often overlooked, it is a powerful tool to support the city's Local Green Deal ambitions.

Turku discussed their successful experiences with green procurement, particularly in the electrification of public transport. The city has made significant progress, with 60% of the total vehicular kilometres now driven by electric buses. In terms of blended finance, the city representative highlighted the importance of forming strategic alliances and sharing responsibilities to facilitate effective funding mechanisms.

1.4.5 Emerging Questions and Discussion Points

After the main discussion and case presentations, participants had the opportunity to ask questions and engage in a dynamic exchange of ideas. Kozani began the Q&A by inquiring about Aachen's "CoLab Project" and its implementation in the municipality. The city representative from Aachen provided a detailed explanation of the project, which focuses on addressing behavioural change in the German cities of Aachen, Muenster, and Mannheim.

Aachen highlighted the establishment of a one-stop-shop that offers services related to home renovations, heating, mobility, funding incentives, circularity, and sustainability. The development of a digital tool aimed at helping citizens track their progress toward sustainable lifestyle changes was also discussed. Regarding financing, it was mentioned that Aachen is working on incorporating its treasury into the transition team and is exploring the creation of a Financial Architect role, inspired by Leuven's model. However, due to resource constraints, they currently lack the capacity to employ this role full-time.

Kozani responded by sharing their municipality's similar efforts to create an office focused on finding financial solutions and involving both citizens and the private sector. Turku was asked about the city's district heating system and whether it still relies on fossil fuels. Turku's city representative explained that although the system was once powered by fossil fuels, one-third of the heat is now sourced from non-fossil fuel burning sources, with the remaining two-thirds coming from wood-based biomass. It was emphasised that while this is not the most sustainable solution, Turku is working towards reducing biomass dependency. The city representative also shared details of their joint energy-positive water system, which includes biogas production from wastewater sludge, solar panels, and small turbines. The city's district heating system, once primarily coal-based, no longer uses fossil fuels.

Aachen raised a question about the governance challenges within the Transition Teams. Kozani noted that maintaining stakeholder engagement was their biggest challenge. Although many stakeholders signed the Climate City Contract (CCC), sustaining long-term engagement without financial incentives has been difficult. The city representative emphasised the strain on their small team, highlighting the costs of human resources and the time required to cultivate relationships. The city representative from Aachen agreed with this challenge but mentioned that their city has found other ways to incentivise stakeholders, such as offering visibility, communication, and networking opportunities. It was also expressed that there is optimism about the support provided through Aachen's collaborations with the NZC Capital Hub and the European Investment Bank (EIB).

Finally, Turku's experience shows that their main challenge in the early stages was managing the tasks associated with their mission, as they already had an established transition team. Currently, the city's focus is on integrating and aligning diverse goals and activities, particularly in the context of climate adaptation. The city representative also emphasised the importance of combining mitigation and adaptation efforts, such as conducting risk analyses, assessing vulnerabilities, and prioritising adaptation activities, to raise awareness and foster motivation for climate action.

Summary of key takeaways from the session by city participants

Effective financing and institutional collaboration: Municipalities like Turku and Aachen have learned that effective financing, particularly through partnerships with institutions like the European Investment Bank (EIB), requires more than just securing funds. Successful financing arrangements involve significant internal collaboration between climate, sustainability, and finance departments. For instance, Turku's €334 million loan package was a result of 18 months of preparation and rigorous communication. This process, though challenging, enhanced collaboration between city departments and set the stage for long-term institutional partnerships. Aachen is currently working on developing a "financial architect" role to streamline this process and provide specialised expertise for managing and identifying funding sources.

Role of financial architects in facilitating transition: The creation of specialised roles like "financial architects" in municipalities is emerging as a crucial step in supporting climate-neutral transitions. Aachen's plan to introduce this role aims to bridge the gap between financial systems, funding opportunities, and the city's climate goals. This position is essential for identifying financial mechanisms and structuring them in a way that supports the municipality's broader sustainability objectives. Without this dedicated expertise, cities may face significant challenges in navigating complex financial requirements, as seen in Aachen's early struggles with understanding and adapting to the demands of the EIB's financing structures.

Green procurement as a tool for transformation: Green public procurement is an increasingly powerful tool for municipalities to shape markets in alignment with their sustainability goals. Aachen's efforts in integrating environmental criteria into procurement processes, especially in large-scale projects, show how municipal purchasing power can influence industries to adopt more sustainable practices. In Turku, their successful use of green procurement, such as electrifying public transport, demonstrates that even small shifts in public purchasing can drive significant environmental impacts. Over time, these efforts move cities from simply being large buyers to active market-shapers, setting sustainability standards for industries to follow.

Blended financing – a growing focus for municipalities: Both Turku and Aachen are exploring blended financing models, where public and private sector funding is combined to support climate projects. This approach helps to de-risk investments and encourages private sector participation in sustainability initiatives. Although still in the early stages, these municipalities recognise the potential of blended finance to attract more funding for climate-neutral projects. For example, Aachen's ongoing collaboration with the NZC Capital Hub and Turku's strategic alliances with local institutions showcase how municipalities are leveraging partnerships to unlock additional funding streams.

Private sector engagement and challenges in mobilising funding: Attracting private sector funding for climate initiatives remains one of the key challenges for many municipalities. In Aachen, the difficulty of securing funds for projects that are not deemed "bankable" due to perceived risks has hindered progress. While Aachen has worked to develop green bonds and other financing tools, understanding their full potential has been a slow process. In contrast, Turku has seen more indirect involvement from the private sector, especially in sectors like renewable energy and public transport, where collaborations between the municipality and businesses have enabled a more sustainable shift. However, Turku still faces challenges in directly mobilising private investment for its climate goals.

Challenges of stakeholder engagement and maintaining long-term commitment: One of the ongoing challenges across municipalities is maintaining stakeholder engagement throughout the long-term implementation of climate-neutral initiatives. In Kozani, for example, the city representative pointed out that maintaining engagement with stakeholders beyond the early stages, especially without financial incentives, is difficult. Turku and Aachen face similar issues, but both have found ways to keep stakeholders invested by offering non-financial incentives such as visibility, networking opportunities, and communication platforms. These efforts help sustain long-term commitment to climate goals, particularly when financial resources are limited or uncertain.

Understanding and overcoming financial and knowledge barriers: A recurring theme across the municipalities is the complexity and lack of understanding of the financial mechanisms required to support climate action. Both Aachen and Turku highlighted the need for specialised knowledge, especially when dealing with large-scale financing and navigating the demands of institutions like the EIB. This has led both cities to seek additional expertise, either through creating new roles like the "financial architect" or by forming strategic partnerships with external bodies, such as the NZC Capital Hub and the EIB, to improve their financial capacities and ensure that the right structures are in place to achieve their climate objectives.

2 Peer-to-peer learning through Collective Sensemaking with Pilot Cities

2.1 Sensemaking process and logistics overview

Sensemaking is a structured process of understanding complex, dynamic environments to enable adaptive decision-making and action. It involves observation, reflection, synthesis, analysis, and pattern recognition to generate insights that support strategic decisions. The Collective Sensemaking process in the NZC Pilot Cities Programme (hereafter, "PCP") is a collaborative, learning-driven approach designed to enable cities to share emergent insights from their practice, tackle common climate challenges, and accelerate their implementation towards climate neutrality goals. This methodology is underpinned by a structured but adaptable Impact Framework that encourages cities to actively engage, reflect, and learn through both group discussions and individual cities' stocktaking and analysis.

Timeline and participation

The first Round of Collective Sensemaking took place on **22nd November 2024** for **Cohort 2 (26 Pilot Cities representing 22 pilots)**, followed by the third Round of Collective Sensemaking for **Cohort 3 (25 Pilot Cities representing 21 pilots)** on **28th February 2025**. These sessions were strategically designed as part of the ongoing MEL & Reporting process for Cohorts 2 & 3. Each online session lasted approximately 3 hours, and each of the four Rounds occurred once every six months in the 2-year programme duration per Cohort.

Both Pilot Cities and their corresponding Twin Cities representatives from Cohort 2 and Cohort 3 participated in the two Collective Sensemaking Rounds. They proactively engaged in meaningful dialogue to share challenges, strategies, and insights. Each city was invited to contribute to discussions, share their progress on specific pilot activities, and offer feedback on others' efforts and experiences.

Co-creation process, facilitation and delivery mechanisms

A key process used in the Collective Sensemaking sessions was inspired by the Open Space Format, a facilitation method that enabled participants (cities) to determine and shape the conversations that were most relevant to them. OST is an approach that creates an open, participant-driven environment, allowing attendees to self-organise and decide which breakout rooms to join based on their interests and expertise. Unlike traditional top-down agendas, Open Space gives participants the autonomy to take the lead in discussions that matter to them.

The sessions were structured around **thematic breakout rooms**, each focusing on key aspects of climate action, such as Governance Innovation, Behaviour Change, Mobility, and Data & Digital Platforms. These diverse breakout rooms allowed for focused conversations where cities could dive deeper into specific topics that are relevant to their unique contexts and learning needs.

Through this approach, cities could actively engage in discussions that directly addressed their specific challenges, while also learning from the broader experiences of their peers. The session format allowed for **a dynamic, interactive, and self-directed learning environment**, where cities could move between different topics (virtual breakout rooms), deepen their insights, and collaborate across various themes. This flexibility of choosing their thematic focus was critical in promoting peer-to-peer learning and ensuring that each participant could contribute meaningfully to the conversations that mattered most to their cities.

In the breakout rooms, facilitators from the NZC Consortium guided participants through structured conversations, while also providing space for spontaneous exchange and follow-up Q&A. The discussions in each room followed a reflective cycle of:

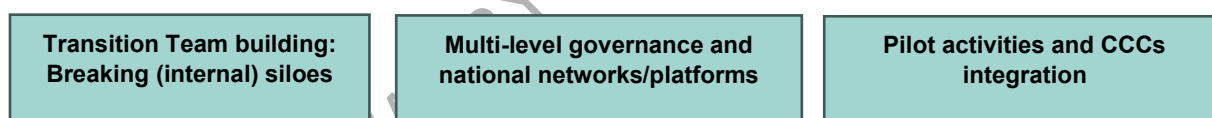
- **Looking Back:** Cities reflected on the progress made so far in the implementation of their pilot activities, sharing successes and setbacks.
- **Looking Across:** Common challenges and insights were identified as participants discussed similar hurdles they faced, or experiences encountered.
- **Looking Ahead:** Cities set the stage for making the lessons actionable, building future collaboration, and defining next steps and areas for further knowledge exchange.

Real-time contributions from cities were captured by harvesters in each of the breakouts, creating a possibility for cities to focus on the conversation rather than taking notes or navigating the digital Miro-board. Sessions were held online and facilitated in a way that ensured cities had time to reflect on both individual experiences and collective insights through summaries and playbacks. The Miro-board served as a central tool for capturing and visualising insights, finding patterns and reflecting on the qualitative data shared by participants during the Collective Sensemaking sessions.

2.2 Pilot Cities' Collective Sensemaking: Cross-cutting insights from Cohort 2 & Cohort 3

This section aims at synthesising the main insights from the discussions in the first round of Sensemaking sessions organised for Cohort 2 (November 2024) and for Cohort 3 (February 2025). Different themes were explored in breakout rooms, but the section synthesizes insights grouped across these themes, not just room-by-room.

2.2.1 Governance, silos and institutional readiness



Across the sessions on **transition team building**, **multi-level governance**, and the **integration of pilot activities with Climate City Contracts (CCCs)**, a consistent set of systemic challenges and enabling conditions came to the fore. Despite thematic differences, cities surfaced a shared recognition that **internal siloes**, **fragmented governance**, and **institutional capacity gaps** remain key barriers to integrated and scalable climate action.

Key common challenges

One of the most **persistent barriers identified** across all three rooms was that of **disconnected teams and fragmented collaboration**. For many cities, **cross-sectoral projects are not embedded in daily routines**, but are instead reliant on a few motivated individuals or temporary project-based teams. This leads to a lack of shared understanding, limited internal visibility, and difficulty sustaining cross-departmental collaboration beyond individual projects. In *Helsinki*, for instance, the energy efficiency team feels marginalised, overshadowed by departments with higher perceived priorities (e.g. safety, economic development, etc.). In that sense, *Helsinki* feels like their Transition team is overlooked in internal decision-making processes as climate-related work is often perceived as an add-on, not core to everyone's responsibilities.

Cities also raised concerns about the **misalignment between municipal structures and overarching climate ambitions**. In the context of pilots and CCCs, this manifested as **existing planning**

frameworks clashing with the requirements of the CCCs (*Aarhus* and *Riga*), and national or EU funding priorities being **poorly calibrated to local needs** (*Helsingborg*). Cities like *Košice* and *Szombathely* raised concerns about being overwhelmed by overlapping frameworks without sufficient mechanisms to align or rationalise them. As a result, efforts became fragmented, often resulting in **friction or duplication**. *Reykjavik*, however, shows a successful example in **combining CCC processes with pilot efforts to avoid duplication and overloading actors with different but similar initiatives**.

Another recurring theme was the **gap between the political clock and the climate clock** (*Riga*, *Trondheim*). This results in a mismatch where ambitious action is desired on the one hand, but the political system isn't structurally ready to back it on the other. Cities repeatedly noted that **bureaucratic endorsement processes** are slow and misaligned with the urgency of climate timelines. Similarly, **national legal frameworks and regulatory limits** often restrict what cities can do, even when there is local political will to act. For example, in the governance-focused session, *Reykjavik* reflected on the **limited role of municipal authorities** in driving systemic regulatory change: while local governments can influence areas like parking policies, they often **lack the legal or technical mandate** to implement broader measures such as **low-emission zones or fleet electrification**. As the *Reykjavik* city representative shared, this puts cities in a position of having to “**lobby or negotiate with national governments**” for supportive frameworks—delaying or constraining local action. The **lack of formal mechanisms or regulatory power** at the local level was highlighted as a major bottleneck to progress.

At the cultural level, cities reflected on the difficulty of **shifting entrenched practices and mental models** that reinforce siloed ways of working. As one participant from *Leuven* noted:

“Everyone can be in business as usual, being trapped in doing things, having no time... but actually if everyone is changing some little things, there are common things that can happen.” – Leuven

Cross-cutting lessons learnt

A key lesson emerging across all three rooms is that **surface-level participation or alignment is insufficient**. Whether working across departments, designing pilots, or navigating national governance, cities emphasised the need for **authentic, early co-creation** and **intentional coordination efforts** to create shared ownership and institutional coherence.

The idea that “**pilots are not just implementation tools—they are powerful learning instruments**” captured the evolving mindset among cities. Rather than treating pilots as isolated projects, cities like *Lisbon* and *Košice* are using them to **expose policy contradictions, identify institutional blind spots, and uncover missing capacities**. This shift—from delivering pilots to learning from them—is central to how many cities now view their climate initiatives.

Similarly, internal collaboration cannot rely solely on goodwill. Cities like *Bordeaux* and *Thessaloniki* highlighted the importance of **city-wide staff training** to build a **common vocabulary** and develop mutual trust. Others stressed that intentional efforts, such as **introducing colleagues with shared interests and complementary roles**, are needed to build a **common transition team culture**.

Emerging good practices & opportunities to capitalise on

Across all three areas, cities are developing promising practices to navigate their constraints:

- **Peer learning** and **cross-city exchange** continue to be key enablers, particularly when formalised through frameworks like the **CCC**. The CCC was seen as a “**powerful tool**” that provides both **visibility and legitimacy**, helping cities **bridge the gap between local ambition and national regulation**.

- **Regular in-person collaboration, facilitated workshops, and internal knowledge-sharing tools** are helping break down siloes and foster integrated working cultures. Some cities, such as *Lisbon*, recognised the value of **external support from skilled facilitators** to structure internal processes and improve coordination.
- **Strategic anchoring of pilots** within existing plans, as seen in *Helsingborg*, is helping avoid drift and ensure pilots contribute to long-term transformation rather than becoming disconnected experiments.
- Cities like *Trondheim* and *Riga* are investing in **internal infrastructure**—including **dedicated teams, digital tools, and data systems**—to move from CCC concept to execution.
- Cities are also thinking creatively about improving internal visibility and communication. *Lund*, for example, proposed a **reallocation of staff time** to allow for more routine knowledge sharing. Others suggested the value of a **dynamic directory of staff roles** or the use of **internal digital tools** such as AI or chatbots to make it easier to identify the right colleagues across departments. Also, translating efforts across departments is crucial – i.e. in supporting internal storytelling and documentation to ensure climate efforts are understood beyond core teams (*Thessaloniki*).

Finally, the cities of *Leuven* and *Manchester* agreed that **celebrating and sharing milestones** is of foremost importance for building or maintaining morale, underscoring the need for clear indicators of success and intentional moments of recognition.

Cohort differences

This table summarises some differences in perspective and engagement between Cohort 2 and Cohort 3 in the breakout rooms on Transition Team Building, Multi-level Governance & Platforms and Pilot activities and CCCs integration.

Theme	Cohort 2 focus	Cohort 3 focus
Internal Collaboration & Siloes	Focused on structural disconnects, particularly between EU project teams and local implementation teams (e.g. <i>Esplugues</i>).	Explored cultural and behavioural barriers, including entrenched practices and perceived irrelevance of climate work (e.g. <i>Helsinki</i>).
Capacity Building	Less emphasis on training; more focused on immediate coordination issues and practical disconnects.	Stressed the importance of training to build shared vocabulary and the need for internal networking tools.
Multi-level Governance	Only the city of <i>Klagenfurt</i> attended, and the reflection was on national coordination challenges and the lack of city-to-city engagement within Austria.	The topic was reframed as 'Innovative Governance'. Also low participation, with only <i>Reykjavik</i> discussing a limited municipal mandate and navigating national constraints.
Shared Pattern	Governance and internal alignment challenges are widely recognised but often under-addressed due to systemic and structural barriers.	Shared desire to understand how other cities navigate national dynamics and use tools like CCCs for leverage.

The consistently low attendance and engagement with the topic of multi-level governance and national platforms may indicate that cities perceive these governance-related discussions as largely outside their direct sphere of control. The framing might also feel too tied to national-level dynamics, making it difficult to foster meaningful, cross-border dialogue within a city-focused context.

Ultimately, the most powerful insight emerging from these three rooms is that **climate neutrality is as much an institutional challenge as it is a technical or financial one**. Cities are learning that without the **right people, structures, and rhythms**, even the best-designed climate initiatives risk stalling.

2.2.2 Financing and cross-sector collaboration & partnerships

Innovative Finance and Business Models

Multi-actor collaboration: public, private and NGO partnerships

The Innovative Finance and Business Models room and the Multi-actor Collaboration are two closely connected breakout rooms surfacing deeply intertwined issues around climate funding, private sector engagement, and the internal capacities cities need to turn ambition into action. Together, they shed light on the complex interplay between political constraints, institutional limitations, and the cultural work of coalition-building.

Key common challenges

Across both discussions, cities shared the experience of navigating a **complex web of regulatory, political, and financial hurdles**. One of the most consistent issues raised was the **difficulty aligning climate-neutral investment plans with broader municipal investment strategies**. For instance, cities like **Lund and Stockholm** cited budget misalignment and technical-political barriers as critical bottlenecks, particularly when climate projects rely on **national approvals**. This was compounded by poor coordination between **finance departments and climate teams**, and a perceived disconnect between **NetZeroCities (NZC) funding structures** and broader urban transformation goals.

In parallel, legal and regulatory constraints often **blocked financial innovation**. **Lund and Klagenfurt** described **legal uncertainties around using municipal funds for return-oriented investments**, such as venture capital-style climate funds. As one city representative put it, “*We could act faster, but we need approval we can’t control.*” Even where visionary ideas exist—such as **Oslo’s and Stockholm’s interest in venture capital-style financing models**—political hesitancy and **risk aversion** have stymied progress.

On the collaboration front, many cities described the **challenge of translating stakeholder engagement into sustained partnerships**. While cities like **Bordeaux** are successful at convening stakeholders, they reported **difficulty in moving from dialogue to action**. Others, including **Reggio Emilia and Gothenburg**, continue to **struggle with articulating a compelling value proposition** to engage private actors—particularly when “time is precious” and stakeholders are already overstretched.

The issue of **stakeholder fatigue** emerged strongly, especially where actors are invited into multiple initiatives without clarity or tangible impact. Cities like **Heidelberg** also pointed to **confusion around project framing**, noting that unclear narratives often led to duplication of efforts or the creation of new, redundant networks.

Finally, both rooms highlighted **internal capability gaps** as a barrier to effective financing and collaboration. Cities such as **Lund and Zagreb** emphasised that **even with available funding, they faced structural and political barriers** to recruiting staff with the right expertise, limiting their ability to

build effective partnerships. While internal capability gaps were a clear challenge in the multi-actor collaboration room, cities in the finance session framed **recruitment of financial experts** as a critical opportunity to build future capacity.

Cross-cutting lessons learnt

A shared learning across both sessions was that **clarity, focus, and specificity are key to sustained engagement**, whether with internal stakeholders or external partners. *Bordeaux* observed that **deeper, more specific conversations**—especially with large private sector actors or universities—were far more productive than broad consultations. Their strategy of **anchoring dialogue in research and evidence** was particularly valued by private partners.

Cities also found that **starting with highly motivated partners** (“*the ones who really want to participate actively*” - *Bordeaux*) helped avoid inertia and allowed challenges to be **co-defined based on real needs**. This often resulted in a stronger foundation for collaboration and long-term trust.

In the finance room, cities such as *Antalya* underscored the importance of **peer learning**—not just to exchange models, but to avoid “*reinventing the wheel*.” **Participatory climate funds backed by private capital** (*Klagenfurt*) and **public-private partnership models** (e.g. *Paris*’ fund-leveraging framework) stood out as early examples of workable practices.

In both rooms, cities acknowledged the **need to strengthen internal structures** to better support partnerships. This included tools for tracking and mapping stakeholders, as well as staff with the **interdisciplinary skillsets** to connect across sectors. As discussed by the cities of *Espoo* and *Lund*, the idea of “**boundary spanners**”—individuals with experience in both public administration and private industry—was seen as crucial, though cities noted the challenge of identifying or hiring such profiles.

Emerging good practices

Several promising early practices are already being tested:

- *Klagenfurt* is working on establishing a **participatory climate fund** with a decentralised governance model involving local institutions and citizens, aimed at attracting private capital while building public trust.
- *Paris*’ approach to early-stage public investment created a framework that helped **crowd in private capital**, underscoring the value of **front-loading public commitment**.
- *Oslo* and others are exploring **start-up investment models** focused on energy and sustainability, though political hesitancy continues to slow implementation.
- *Zagreb*’s proposal for a **multi-stakeholder advisory body** offers a model for institutionalised collaboration—provided it’s designed with real influence and avoids symbolic status.

Opportunities to capitalize on

Opportunity area	What Cities need	Why it matters
NZC Capital Hub as a platform	Guidance on fund structuring, public-private partnerships, and shared tools/case studies (e.g. of blended models combining public and private capital)	Cities see the Hub as a key enabler for peer learning and replication across the network

Institutional capacity building	Recruitment or secondment of financial architects and hybrid financing experts	Ensures cities can design and manage complex investment models effectively
Value propositions for private sector	Support to develop strong, clear business cases for private engagement	Sustainable, mutually beneficial collaboration
Decentralised climate fund management	Flexible, regionally tailored fund governance models	Enables better alignment with local needs and increases community buy-in

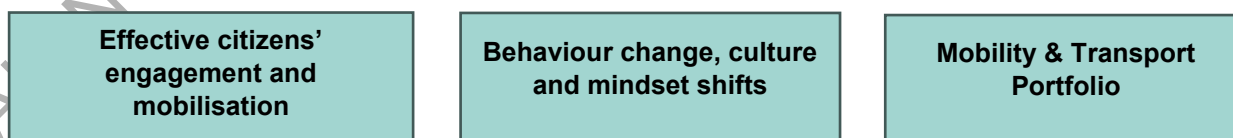
Cohort Differences: Maturity and Momentum

This comparison highlights the different levels of maturity and strategic orientation between Cohort 2 and Cohort 3 in the breakout sessions on Innovative Finance and Multi-actor Collaboration. There were clear differences in the **maturity and focus** of the two cohorts across these rooms:

Theme	Cohort 2	Cohort 3
Engagement with Funding Models	More advanced; cities shared concrete examples of piloting or implementing models. Focus on navigating real-world delivery barriers.	In exploratory phase; focused on mapping the landscape, understanding financial options, and assessing feasibility.
Partnership Development	Engaged in early-stage but structured collaborations; more reflective about what works and where barriers lie.	Discussions centred around identifying potential partners and clarifying roles; capacity-building was a key interest.
Strategic Orientation	Problem-solving focus; emphasis on overcoming institutional, legal, or political constraints to action.	Exploratory orientation; emphasis on building foundational understanding and identifying where to begin.

Yet across both cohorts, there was a shared sense of momentum—and a recognition that **strategic collaboration and financial innovation must be matched by institutional readiness** if cities are to achieve the scale of transformation envisioned.

2.2.3 People-centred climate transition



The breakout rooms on **citizen engagement**, **behaviour change**, and **mobility & transport** all underscored a central reality: achieving climate neutrality requires **transforming how people engage with the transition**, not just building infrastructure or policies. Cities across both cohorts recognised that **lasting change hinges on trust, motivation, and deeply rooted cultural shifts**, alongside supportive services and governance systems.

Key common challenges

Across all three themes, cities are grappling with the **invisibility and abstraction of climate action** for many residents.

As **Klagenfurt** noted, “We’ve learned so much through this process, but the average citizen still doesn’t know what the 112 Cities Mission is.”

Both cohorts highlighted that **technical language and abstract goals alienate citizens**, especially marginalised or vulnerable groups (*Angers, Elbasan, Kronoby, Llobregat*).

In both **citizen engagement** and **behaviour change rooms**, cities identified a key barrier in **initiating and sustaining participation**, particularly when **tangible outcomes are invisible** (*Paris, Zagreb*). **Motivation tends to fade** when the connection between action and impact isn’t clear.

Similarly, in **mobility**, **Cohort 3 cities** like **Tampere, Sønderborg, and Gothenburg** described how **car dependency is deeply ingrained** and efforts to shift behaviour often hit barriers of **convenience, trust, or habit**. Infrastructure alone (e.g., bike lanes or carpooling apps) has proven insufficient without addressing the cultural and psychological dimensions of use.

A broader systemic challenge was raised in all three rooms: **time and capacity**. Citizen engagement and behaviour change are **time-intensive**, long-term processes requiring persistent, strategic approaches (*Zagreb, Klagenfurt*). Therefore, internal governance structures must support sustained engagement, and behavioural change must be embedded in city strategies, not treated as an add-on (*Lappeenranta, Zagreb*).

Cross-cutting lessons learnt

A shared lesson across all three themes was the importance of **relevance** and **resonance**. Citizens are more likely to engage when issues are tied to everyday concerns, such as cost of living, housing, or local wellbeing (*Porto, Angers*). Cities also learned the value of framing citizens as co-creators, not just end-users or passive recipients (*Bordeaux*).

From both the **behavioural** and **mobility** breakout rooms’ perspectives, stakeholders’ behaviour change is most effective when **communication is empowering, relevant, and tied to people’s daily lives**. Cities are learning that dictating action often backfires; instead, storytelling and framing climate action in terms of wellbeing, cost of living, and local benefit have proven far more effective. For example, *Tampere* highlighted the emotional nuance needed when addressing citizens:

“The biggest challenge is how we communicate these things to our citizens, how we speak about these things so that we don’t dictate them or blame people but instead inspire them.” – *Tampere*

Cohort 2 cities, like *Porto* and *Bordeaux*, leaned toward **system-level approaches**, focusing on building partnerships, reshaping services, and embedding long-term engagement. **Cohort 3 cities**, such as *Cork* and *Elbasan*, were more focused on **psychological readiness, trust-building, and capacity-building**, including the use of behavioural science and social structures like schools and community groups.

Emerging good practices

Several innovative approaches are being piloted and scaled in thematic focus areas outlined below:

Citizen Engagement

- **Kronoby's participatory budgeting** empowers citizens to propose and vote on local projects.
- **Leipzig's mobile energy advisors** and **Newcastle's community connectors** extend reach through trusted local actors.

Behaviour Change

- **Bordeaux** is using **interest-based engagement** via sports and community hubs, including work with the local football club to co-design climate actions with children and families.
- **Cork** is piloting **microcredentials in behavioural science** for city staff and running an "Open Streets" pedestrianisation sandbox tied to transport emissions.

Mobility & Transport

- **Gothenburg** operates a **dual-use electric car share** scheme: public employees by day, residents by night.
- **Tampere's youth ambassadors** model a generational shift in mobility norms.
- **Tomar's inter-city bike-sharing system** supports regional integration.

2.2.4 Opportunities to capitalise on

Opportunity area	What Cities need	Why it matters
Behaviour & engagement capacity building, strategic framing of climate action	Support for internal training (e.g. climate narratives around wellbeing, housing, cost of living etc.) and behavioural science expertise	Enables tailored, evidence-informed communication and helps citizens connect abstract goals with real benefits
Peer learning on behavioural nudges & communication	Case studies, exchanges and co-design labs across cities	Allow rapid adaptation of tested ideas and formats
Institutionalising participation pathways	Guidance and support on long-term participatory models (e.g. budgeting, advisory groups etc.)	Shifts engagement from one-off events to sustained civic involvement

Cohort differences

This table highlights the differing focus areas and levels of maturity between Cohort 2 and Cohort 3 across the themes of citizen engagement, behaviour change, and mobility.

Theme	Cohort 2	Cohort 3
Citizen Engagement	More experienced in structured engagement models; emphasised feedback loops and	Focused on trust-building and inclusivity, often working through

	co-ownership (e.g. <i>Porto</i> , <i>Bordeaux</i>)	intermediaries and early-stage tools (e.g. <i>Newcastle</i> , <i>Elbasan</i>)
Behaviour Change	Framed as a systemic challenge involving governance, service design, and civil society partnerships (e.g. <i>Bordeaux</i>)	Approached through a psychological and community-based lens; explored behavioural science and local institutions (e.g. <i>Cork</i> , <i>Elbasan</i>)
Mobility & Transport	Focused on technical and operational issues, such as electrification and regulatory barriers (<i>Oslo</i>)	Explored behavioural and cultural shifts, youth engagement, and low-carbon habits (e.g. <i>Tampere</i> , <i>Gothenburg</i>)

2.3 Pilot Cities' feedback on Sensemaking and next steps

This section synthesises the feedback received from Pilot Cities and Twin Cities in Cohort 2 and Cohort 3 regarding their participation in the Collective Sensemaking sessions, offering insights on the sessions' value, areas for improvement, and suggested next steps.

Feedback Participation Statistics

A total of **2 Pilot cities** from **Cohort 2** and **13 cities** (8 Pilot Cities and 5 Twin Cities) from **Cohort 3** submitted feedback following the Collective Sensemaking sessions. The feedback form was shared at the end of each session and through follow-up emails to ensure broad participation. The cities' responses provided valuable insights into the sessions' effectiveness and areas for improvement, which will guide the design of future learning activities within the Pilot Cities Programme.

Key Insights from the Feedback

1. Session Highlights

- Many cities highlighted **improved session structure** compared to previous iterations, particularly the increased focus on content rather than technical issues like Miro-board navigation.
- Participants from various cities (e.g., *Lisbon*, *Zagreb*, *Elbasan*) expressed that despite different local contexts, cities recognised that their climate **challenges**, such as low private sector engagement or limited citizen participation, were often **similar**.
- *Porto* appreciated the **knowledge sharing** across cities, particularly the **practical and concrete examples** discussed in the breakout rooms, such as stakeholder collaboration and communication strategies for behavioural change.

2. Breakout Rooms Engagement

- Cities participated in **multiple breakout rooms**, with a notable focus on **Multi-actor collaboration & partnerships**, **Effective Citizen Engagement & Mobilisation**, and **MEL & Reporting**.

- *Zagreb* reflected positively on discussions regarding **citizen engagement**, emphasising the need for continuous learning processes and **institutionalised participation**. In contrast, **Mobility and Transport** discussions were seen as insightful but needed more **concrete examples**, particularly around transport decarbonisation.
- Several participants suggested the addition of **new topics** in the future, particularly **sequestration/ carbon sinks/land use** or **Nature-Based Solutions** (e.g., *Stockholm*). There were also requests for more specific discussions, such as “**Communication strategies to engage precarious citizens**” (*Gozo, Vilnius*).

3. Challenges and Barriers

- Cities consistently pointed to **capacity gaps**—both in terms of internal resources and skills—especially when it came to engaging the private sector and managing multi-level governance issues.
- *Copenhagen* and *Gothenburg* discussed the **tension** between ambitious goals and the political and bureaucratic pace required to implement them. *Porto* and *Reykjavik* also noted the difficulty in breaking down **internal silos** within municipalities, which can delay or stifle climate action.
- **Funding and financial mechanisms** emerged as significant barriers, particularly for cities like *Klagenfurt* and *Zagreb*, where there were concerns about **how to secure capital** for large-scale projects or navigate **complex funding structures**.

4. Lessons Learnt

- A key takeaway for many cities was that **surface-level alignment** or **participation** was not enough; deeper **co-creation** and **intentional coordination** were necessary to ensure lasting impact.
- *Porto* and *Thessaloniki* emphasised the importance of **long-term partnerships** with citizens, with a focus on **building trust** and **collaboration** from the outset.
- *Reykjavik* and *Zagreb* highlighted the **importance of framing** climate action in terms of **daily benefits** (e.g., cost of living, health, well-being) to encourage citizen buy-in.

5. Good Practices and Opportunities

- Several cities showcased **good practices in citizen engagement**, including *Bordeaux*'s use of **sports and community hubs** to engage families and *Cork*'s **micro-credentials** for behavioural science training.
- Cities such as *Klagenfurt* and *Paris* demonstrated successful **private-public partnerships in financing climate action**, with innovative models like **participatory climate funds** (*Klagenfurt*) and **front-loaded public investment** (*Paris*).
- *Stockholm* suggested **more detailed, practical case studies** in future sessions to help cities apply shared knowledge to their specific contexts.
- **Opportunities** to improve future sessions included the need for more **peer-to-peer learning**, **concrete examples**, and better **capacity-building tools** (e.g., **behavioural science insights** or **digital engagement tools** for citizens).

Areas for Further Support Based on Cities' Feedback

1. Deepening Peer-to-Peer Learning

There is a strong demand for **more peer exchanges**—both informal and structured—where

cities can share **concrete solutions** to common challenges. Many cities expressed a desire for **workshops** focused on **practical tools** like **financial models** and **MEL frameworks**, which would allow them to immediately apply shared knowledge.

2. Increased Focus on Cross-Sector Collaboration

Cities such as *Lund* and *Zagreb* emphasized the importance of **breaking silos** between different sectors and departments. Future sessions could include more detailed discussions around **structural models** that encourage **cross-sector coordination**.

3. Scaling Citizen Engagement

Participants suggested that **citizen engagement** should be treated as a **long-term strategy**, not just a series of isolated projects. Future Peer-to-Peer sessions could focus on **scaling successful citizen-driven models** (e.g., *Bordeaux's* sports club engagement) and exploring **innovative financing mechanisms** for **community-led actions**.

4. Addressing Gaps in Capacity Building

Cities such as *Lappeenranta* and *Santiago de Compostela* mentioned the need for **internal capacity building**, specifically in terms of **financial expertise** and **climate policy**. Incorporating **training sessions** on these topics could better equip cities to navigate the complexities of **climate financing** and **policy integration**.

5. Refining the Miro-board for Future Sessions

Some participants noted that the **Miro-board tool** was helpful for organising thoughts and outcomes but could be **improved** to better showcase **key takeaways** and **cross-city learnings**. Making the tool more **user-friendly** and **interactive** could further enhance its value as a **knowledge-sharing platform**.

6. Further Exploring Sequestration and Land Use

There is an expressed interest in **adding topics** like **carbon sequestration** and **nature-based solutions** to future sessions. Cities such as *Stockholm* and *Gozo* suggested dedicating more time to **land-use strategies** and **green infrastructure** to align with broader climate goals.

Pilot Cities' Feedback on Future Collective Sensemaking Sessions

As part of the ongoing Collective Sensemaking process, feedback from Pilot Cities following Round 1 sessions has been invaluable in shaping the future direction of our collective learning journey. Several key insights emerged from this feedback, which will directly inform our approach to the upcoming sessions, particularly as we move into Round 2 in June 2025.

Key Feedback Themes:

- 1. Need for Deeper Conversations in Smaller Groups:** Pilot Cities expressed a strong desire to move beyond surface-level discussions and delve deeper into the specifics of their challenges and successes. Many cities highlighted that while larger, cross-cutting discussions provided broad insights, smaller groups enabled more focused and actionable learning. This feedback will be reflected in the design of future Sensemaking sessions, where we will ensure a balance between broad thematic exploration and deeper, thematic-focused conversations. As one city representative noted, "Smaller groups allow for more focused exchanges and give space for concrete examples and strategies that cities can implement immediately."
- 2. Introduction of Focused Storytelling:** Another common request was for a more structured approach to sharing city experiences, particularly through focused storytelling. Many participants suggested that having a nominated "Storyteller" from each city would help in

conveying their journey in a more relatable and impactful way. This process would allow for a clearer articulation of the cities' challenges, achievements, and lessons, making it easier for other cities to see how their own contexts might relate. The inclusion of storytelling will enhance the impact of each city's narrative and foster stronger peer-to-peer learning.

3. **Enhancing the Learning Environment:** The overall learning environment in Round 1 was well-received, with feedback indicating that the structure of the sessions—combining facilitated discussions and collaborative reflections—was effective in drawing out both successes and challenges. However, there were requests for more time for reflection and for clearer, actionable outcomes from each breakout room discussion. Cities also requested that future sessions provide more opportunities for cross-city visits or peer learning journeys, where cities can directly learn from the experiences of others.
4. **Fostering Greater Collaboration Between Pilot Cities and Twin Cities:** The feedback also highlighted the desire for better integration of Twin Cities into the discussions. Twin Cities, while contributing as active listeners, can benefit from more structured opportunities to interact with Pilot Cities, particularly in understanding how the learning from Pilot Cities' experiences can be applied in their own context.

Conclusion and Next Steps for Collective Sensemaking

As the NZC Consortium partners prepare for the forthcoming Rounds of Collective Sensemaking in 2025, the feedback received is planned to be incorporated into the session structure and overall process. Key adjustments include:

- **Smaller, More Focused Group Discussions:** Each city will be grouped based on shared thematic challenges, enabling more in-depth conversations.
- **Storytelling for Impact:** A nominated Storyteller from each Pilot City will present their experiences in a way that highlights lessons and actionable insights for other cities.
- **Enhanced Peer-to-Peer Learning Opportunities:** We will explore options for peer learning journeys and inter-cohort exchanges to further enrich the learning experience.
- **Tailored Session Agendas:** Based on the evolving needs of the Pilot Cities, we will refine session agendas to focus more on practical solutions and specific examples that cities can take away and implement immediately.