

ERRIN'S INPUT TO THE IMPLEMENTATION PLAN OF THE MISSION ON CLIMATE-NEUTRAL AND SMART CITIES

The Climate City Contract and the Call for expression of interest

[ERRIN](#) (European Regions Research and Innovation Network) is a Brussels-based platform that gathers around 120 regional organisations in more than 20 European countries. ERRIN aims to strengthen the regional and local dimension in EU Research and Innovation policy and programmes. ERRIN supports members to enhance their regional and local research and innovation capacities and further develop their research and innovation ecosystems.

This input paper has been developed by the ERRIN Smart Cities Working Group under the leadership of the respective working group leaders.

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TOWARDS THE IMPLEMENTATION PLAN

ERRIN, and its members, have been closely following the Mission on climate-neutral and smart cities (the mission) since the start of its development process. While the Implementation Plan of the mission is being finalised, we would like to highlight again a number of key aspects that are important to ensure the mission's added value and crucial importance in accelerating the path towards climate neutrality.

Added value of the Mission

The mission's preparatory process has already generated a strong interest among cities and regions across the EU, showing that the initiative has a clear added value over already existing initiatives. The added value of the mission includes the very high ambition level with an objective of reaching climate neutrality by 2030, the coordinated efforts towards this goal (different local stakeholders and the multi-level governance), and the emphasis on innovation and increased competitiveness in addition to climate transition.

The mission should support the creation of an unprecedented and new collaborative approach that brings together all relevant stakeholders within the city, the national/regional governments, and the European Commission (EC) to work towards the same goal. The Climate City Contract (CCC) provides a novel tool to ensure that all key actors (local authorities, private sector, academia, citizens/civil society) will work together towards the same ambitious goal via a joint strategy and plan – encompassing design, implementation and monitoring both at the local level and across the governance levels. The multi-sectoral and multi-actor dimension will be key for the mission's success.

The Implementation Plan highlights that the mission allows connecting the dots between existing technologies and funding opportunities. In addition, it will bring together existing strategies, plans and projects and facilitate putting in place a more systemic approach towards climate neutrality. The mission will also accelerate combining of sectoral policies together, e.g. energy and mobility, and add the innovation dimension to those policies. Again such coordination and further alignment should happen both at local level as well as across governance levels.

Specific objectives

The new collaborative approach should be a specific objective to the mission. It should help cities to mobilise all local stakeholders to co-create their climate strategy and plan – all steps from vision to implementation and monitoring. The CCC provides a novel tool to ensure that all key actors (public sector, private sector, academia, citizen/civil society) will work together towards the same ambitious goal. Currently the implementation plan only highlights the multi-level governance dimension whereas the local partnership and the collaborative model at the local level should be as important.

Achieving the mission objectives will require considerable investments and therefore maximising and further ensuring complementarities between the different funding programmes should be an important objective in the mission. This includes all EU-relevant programmes but also funding coming from various government levels. This objective is crucial to the mission and will also require aligning policy priorities and priorities of the various programmes further.

The private sector financing will also be crucial, highlighting also the crucial role of the local partnership and the engagement of private sector actors in co-creating the solutions since the start of the process. In addition, financing instruments, such as the ones under discussion with the EIB, should be co-created and/or upgraded together with the beneficiaries to ensure that they are ready to function and 'fit for purpose'.

CALL FOR EXPRESSIONS OF INTEREST

Selection criteria

ERRIN considers imperative that the mission attracts and supports as many committed cities as possible. The objective which the EU should strive for is climate neutrality in all EU cities by 2050, as that is in line with the Paris Agreement and more recent EU commitments / the Climate Law. However, many cities across Europe are willing to go beyond this ambition and have already established ambitious strategies of their own. In many cases they are also driving the transition to a low-carbon economy for instance through public procurement. The mission cities striving towards the goal of climate neutrality by 2030 would therefore function as innovation hubs for all cities.

ERRIN considers that the objective of the expression of interest should be to convincingly show that the city can and will deliver on the goal of climate-neutrality by 2030. The cities should also demonstrate commit to co-create their climate pathway and plan together with a wide range of local stakeholders, ensuring that all key actors (private sector, academia, citizens/civil society) will work together towards this objective.

ERRIN suggests that the call for expressions of interest clearly specifies, not only what the level of ambition should be for the prospective cities, but also what these cities can count on from the side of the other contracting partners. The CCC should be the result of a co-creation process among the contracting partners and, from the side of the cities, with local stakeholders. In this way, the CCC will contribute to another important objective of the EC with the missions: bringing the EU closer to its citizens.

While the added value of the mission on the EU level is clear (first chapter), the text remains vague about the direct benefits of participation for the 'mission cities'. Participating to the mission process requires resources from the city – both human resources and funding. Therefore, the advantages of participation have to be clear for cities and should go beyond good publicity. ERRIN suggests that the call for expression of interest clarifies what kind of benefits - access to funding or other types of support the cities would receive when committing to the mission process.

ERRIN supports the ambition expressed by the Mission Board and the EC on the need for a diverse and broad group of partner cities. We, however, consider that in order to achieve the goal of 100 climate-neutral cities by 2030, a minimum of three or four cities per Member State should actively work on the implementation of their CCC by 2030.

Finally, cities should have enough time to prepare their expression of interest. Therefore, the selection criteria and the time schedule should already be explained in the implementation plan. If there will be an external mapping of cities' preparedness, e.g. by the JRC, the role of this process should also clearly be clarified. It seems though that for the moment none of the existing initiatives or programmes have

done an extensive mapping of European cities with an ambitious climate neutrality target and their related climate strategies and plans.

Selection process

ERRIN supports the EC in its efforts to speed up the selection process and agrees that the main responsibility in the first phase, i.e. the expression of interest, should lay with the city (having in mind the local partnership). However, if the CCC is to be considered also as a contract between different governance levels, a city's expression of interest should have the necessary support from the Region and/or Member State and the EC in order to move forward. If this is not the case, the city may find itself in a position where it lacks the necessary governmental partners to sign a CCC with.

Therefore, it seems that the evaluation of the expressions of interest should include a criterion also demonstrating the 'preparedness from different government levels to cooperate' with the city expressing an interest. This is certainly an important point of action for the EC as many cities experience that the overall interest and support from the various levels of government should be clarified.

Finally, there should be a clear vision on how to ensure the momentum with the mission and that maximum of cities will be supported once they have expressed interest. What different avenues are there for the support (in addition to the cascade funding that will be provided by the one-stop-shop) and how to ensure that maximum number of cities will get the support that fits their needs?

THE CLIMATE CITY CONTRACT

Ambition

ERRIN suggests to put the mission in the broad context of the challenges faced by the EU and by cities today. These include climate, but range to further include inclusiveness, resilience, economic and financial challenges, which often are interrelated. We therefore suggest that the mission is taken as an opportunity to engage on a truly integrated trajectory to achieve 'future proof' cities and implementation of the SDGs on the local level.

ERRIN understands the mention of the list of requirements that refer to the limiting factors not entirely in the hands of the city, such as, among others, regulatory frameworks, financing, and the limited capacity to influence all emissions in the urban context. ERRIN suggests to include a description of the definitions of key elements of the CCC.

Mission partnership

The partnership within the CCC is crucial and one of the key innovations of the mission. This partnership should include the local actors and stakeholders (horizontal governance) as well as the levels of government committed to the process (vertical governance).

While we agree with the view that the CCC is an agreement among public parties, it is essential to ensure the engagement of different types of partners in a local/regional consortium and make this a requirement of the contract. In other words, the contract should be a public document that has been negotiated by the local authority on behalf of a local consortium consisting of the private sector,

research sector and citizens. The different partners should have specific roles to play in all stages of the process. Local and regional “climate pacts” that already exist can serve as an inspiration for setting up such a partnership.

This partnership and its impact to the success of the CCC’s implementation should also be followed up with the indicators related to the mission’s progress. The progress and success of the mission as a whole has to be monitored. The indicator of 'number of mission cities applying inclusive governance mechanisms' could be further elaborated to identify the key stakeholders and their specific role in the CCC and the path towards climate neutrality.

We suggest a coordinating role for Member States within their national context. As the ambition of the mission is to engage all EU cities in a CCC by 2050, it would benefit if the national and regional levels actively engage in supporting the scale-up and roll-out of the efforts of the first waves of front-runner cities.

If successful, the advantages could be a stronger partnership which includes both the EC and the Member State and/or Regions, and which focuses on areas that require further support (financial, regulatory, innovation) in transition and which have an overarching and holistic nature that makes it possible to bring together different city initiatives.

Roles and responsibilities

The roles, responsibilities and benefits of each signing party should be specified. ERRIN sees that at least the following commitments should be made on behalf of each signing party:

City

- develop and implement a climate plan towards climate-neutrality by 2030. This plan would also be accompanied with a business plan / financial concept.
- work together with local stakeholders (private sector, academia, citizens)
- work together with other cities to share experiences and solutions

Member State/Region

- identify together with the cities the policy and implementation gaps as a basis for a strategy for transition
- deliver the necessary framework conditions - legal, governance and financial – to support each city
- support the replication and scaling-up of within the national context
- when necessary provide specific support on stakeholder engagement, national and regional level data availability, development of a business plan / concept

European Commission

- identify together with the cities the policy and implementation gaps as a basis for a strategy for transition
- deliver the necessary framework conditions - legal, governance and financial – to support the cities
- provide funding for cities’ clustering and joint activities

- provide support for the processes related to multi-level governance, stakeholder engagement, development of a business plan / concept

Value of creating a common understanding across local, regional, national and European levels – is an innovation in itself as well as policy tool with immense potential.

Clustering for impact

ERRIN considers that clustering is an essential element to achieve the necessary impact at EU level, and strongly supports the commitment to work with other cities as an element within the CCC, as the scale-up of the mission is a key element of its eventual success. The clusters of cities should be created on the basis of the identified expertise and challenges, i.e. areas where further learning, investment or research is needed. In this way, one ensures that the twinning or grouping leads to tangible outputs.

Each CCC should therefore include a commitment to work with other European city/cities and/or be part of a twinning/mentoring programme to help increase the number of cities moving to climate neutrality by 2050. We consider that financial support should go to the cluster and all those within it. In practice, this means that a city may receive funding (as 'mentor') to support others in their efforts to implement a solution, a combination of solutions or an adaptation of solutions. At the same time the same city might be mentored by another city in a policy area it does not score well yet.

Financing the mission

Coordination and the support framework for the mission should be funded through Horizon Europe, including the framework for developing the CCCs or agreements, as well as the process for supporting and monitoring the mission. At the same time, an important effort needs to be made to match and coordinate support from different EU level programmes and instruments, with local, regional and national funding.

Financing the transition towards climate neutrality will require significant investments across Europe. Therefore, investing in climate solutions must start making sense for the investors. This means that work needs to be done on the return of investment, the risk and the payback time of such investments. This, in turn, means that investors need to be engaged in the co-creation processes of the Climate Agreements from the start as active and important partners in the efforts towards climate neutrality.

The business plan / financial concept will be another new element that should be developed by all cities working on the mission. The plan should be developed with the support of the EC, the EIB and preferably also the Member State and/or a region. The business plan should be created in the development phase of the CCC, as a key element of the mission process.

In addition, financing instruments, such as the ones under discussion with the EIB, should be co-created and/or upgraded together with the beneficiaries to ensure that they are ready to function and 'fit for purpose'.

Research & innovation dimension

The city should foresee a continuous innovation management process/mechanism that will ensure the close collaboration with the academic and research community and the proper testing and

deployment of technologies and solutions. Many significant existing barriers relate to investment logic as well as skills. ERRIN considers that the EIB has an important role in supporting cities in overcoming these barriers.

Research and innovation funding should focus on large-scale demonstrations and deployment of climate-friendly technologies and solutions, taking into account also social innovation. The support for implementation and replication in local contexts and engaging local stakeholders including citizens will be essential (i.e. ensuring the multi-stakeholder approach).

Synergies and coordination with other initiatives

To meet the considerations that have emerged from the current COVID-19 situation, both with regard to the crisis and the exit strategy of the EU countries, the strategy should include a 'resilience' part that considers how the proposed transformation can engulf some degree of resilience and agility but also be inclusive and just 'by design'. Therefore some coordination mechanisms between related initiatives, such as the Climate Pact and the Adaptation Mission and the proposed Climate Resilience Pact should be considered and “built in” to the mission process.

Key indicators for the climate city contract

Finally, when looking at monitoring and potential indicators to follow the mission process and progress, most of the issues mentioned above should be tracked. How these are the following key elements contributing to successful implementation:

- local partnership;
- multi-level governance;
- clustering with other cities;
- funding and financing;
- coordination and systemic approach to climate neutrality.