



# LOCAL GREEN DEALS

## A Blueprint for Action

The European Commission's  
**100** Intelligent Cities  
**Challenge**

An initiative by **EISMEA** and **DG GROW**



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## About the Intelligent Cities Challenge

The Intelligent Cities Challenge (ICC) is a European Commission initiative that supports 136 cities in using cutting-edge technologies to lead the intelligent, green and socially responsible recovery. ICC cities and their local ecosystems will be engines for the recovery of their local economies, create new jobs, and strengthen citizen participation and wellbeing.

Cities receive one-to-one strategic advice from international experts across five themes: green economy and local green deals; improving citizen participation and the digitalisation of public administration; green and digital transition in tourism; resilience of local supply chains; and up- and reskilling of the workforce. They will also be supported by transversal services covering access to data, access to finance and through a marketplace of innovative solutions.

The ICC is part of a wider EU support system that recognises the importance of delivering on the promises made by the European Green Deal, the digital strategy, and other EU policies. It looks to move towards a more digital, service-oriented and low-carbon economy, supported by a knowledge-based society, that enables circular economy systems through 'local value loops', evidence-based reskilling, and sustainable investments.

More information on the ICC is available at [www.intelligentcitieschallenge.eu/](http://www.intelligentcitieschallenge.eu/)

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# 1 Introduction

The world is facing major environmental, economic, and social challenges that require a substantial transformation across all aspects of society. By now, the awareness and sense of urgency for action regarding climate change, biodiversity, and global resource depletion seems widespread. However, implementation of fast and radical transformation is slowed down due to economic, and social reasons. Unless systemic changes are made to the economy, and social inequalities are addressed, we will not be able to solve the climate and ecosystem crisis.

COVID-19 and the subsequent economic crisis make the situation more challenging. However, it also provides an opportunity to accelerate change. The pandemic has highlighted that the road to recovery should require rethinking the way we do things, to ensure a more resilient future. Picking up from where we left off and doing things how they have always been done might provide a short-term fix, but it will not provide long-term solutions to systemic challenges.

This guide has been developed as part of the European Commission's *Intelligent Cities Challenge* (ICC)<sup>1</sup>. It provides cities with a blueprint and good practice

<sup>1</sup> The Intelligent Cities Challenge is a European Commission initiative that supports 136 cities in using cutting-edge technologies to lead the intelligent, green and socially responsible recovery,

case studies to support them with the implementation of the *European Green Deal* (EGD) at the local level - through a Local Green Deal (LGD).

The guide outlines the rationale behind LGDs, and provides the key principles, levers, and steps for cities, stakeholders, and local communities to use to implement a LGD. Cities looking for practical steps and illustrations of a LGD approach may look directly at *Section 6* (Key Steps to Develop a Local Green Deal).

While the Guide is the first of its kind, it relates to and supports other European initiatives relevant to cities and the European Green Deal objectives: the *Committee of the Regions' Green Deal Going Local*, the *Mannheim Message*, the European Commission's *Climate Neutral and Smart Cities Mission*. It also builds on a number of national initiatives and regulatory developments, such as the *National Energy and Climate Plans* (NECPs)<sup>2</sup> adopted by all EU member states in 2019.

<sup>2</sup> To meet the EU's energy and climate targets for 2030, EU countries need to establish a 10-year integrated national energy and climate plan (NECP) for the period from 2021 to 2030. The rules required the final NECP to be submitted to the Commission by the end of 2019.



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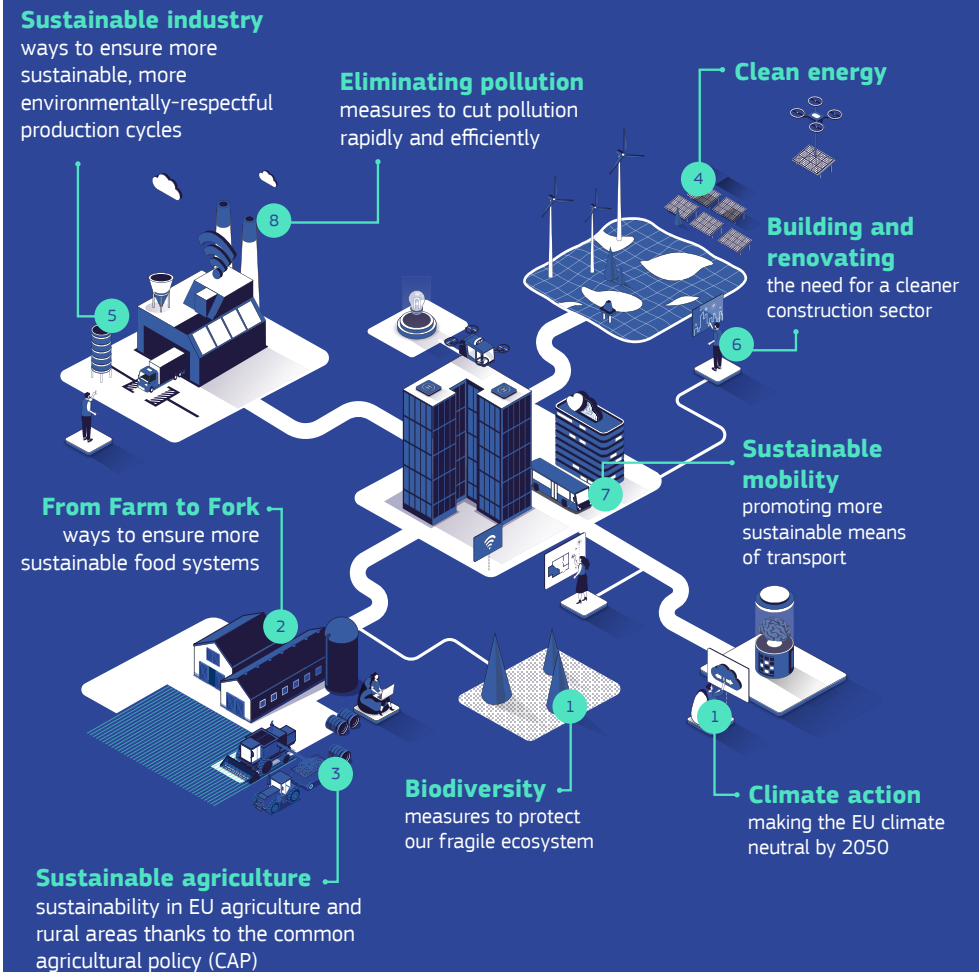
# The European Green Deal

The European Green Deal (EGD) is the EU plan to make the EU's economy sustainable by turning climate and environmental challenges into opportunities, and making the transition just and inclusive for all. With the EGD, the European Union committed to "no net emissions of greenhouse gases in 2050, economic growth that is decoupled from resource use and no person and no place is left behind". It is the first continent in the world with a clear ambition, and a comprehensive plan for 'climate neutrality'.

Reflecting those policy areas, a number of initiatives are emerging at the EU level to support the implementation of the EGD. These include, for example, the [European Climate Pact](#), the [New Bauhaus Movement](#), the [Renovation Wave](#) initiative, and the [European Skills Agenda](#).

Standard policy implementation will not be sufficient to achieve the transformation required to truly implement sustainable development. Instead, the structure of the EGD needs to be used to reframe the way that sustainability actions are implemented. To implement the EGD at the local level requires linking up and integrating the policy areas outlined above at the city level, and in turn delivering consolidated implementation and action.

## The EGD covers 9 policy areas



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# Why Cities Should Develop a Local Green Deal

## 3.1 Why cities and what is their role

Ultimately, all of the policy areas of the EGD are implemented in cities. Therefore they have a crucial role to play in its delivery, through facilitating integrated action, and bringing local stakeholders on board in the transformation process.

The European Union consists of more than 80,000 cities and towns (shortened as “cities” across the rest of the document), who are mandated to promote the long-term wellbeing of their citizens. They implement 70% of EU legislation, handle one-third

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of public spending, and manage two-thirds of public investment. In addition, they are often responsible for the direct provision of many services for their citizens.

Cities are places of economic activity, knowledge generation, community engagement, and cradles of innovation, and socio-economic transformation. They bring together local businesses, entrepreneurs, social enterprises, educational establishments, and citizens to find solutions to help tackle the biggest challenges of the twenty-first century, whether it is delivering on climate ambitions, or building sustainable recovery and resilience post-COVID.

Cities and their industrial ecosystems will be the engines of recovery, stimulating the development of new markets for climate neutral and circular products, the decarbonisation and modernisation of energy-intensive industries, creating new jobs and reskilling workforces. In particular, the proximity and social economy ecosystem is key to deliver a people-centric industrial policy and achieve a resource efficient, resilient, low-carbon, and socially responsible society.<sup>3</sup>

Cities manage a number of key sectors in urban areas, such as mobility, and waste management, and are ultimately responsible for controlling land use, and urban planning. Their public procurement, and investment budgets play a key role in driving demand for sustainable products and services, and impact decisions on infrastructure for energy, transport, and water.

For all of these reasons, cities are called on to lead the transition and deliver the EGD through concrete actions at the local level. In order to coordinate those actions, they must develop more comprehensive governance structures and networks. This will allow the transition of their entire economy.

<sup>3</sup> The European Commission has identified 14 industrial ecosystems, each of which comprises all the economic actors working along the same supply-chain (e.g. health, social and proximity economy etc.). Using this categorisation can help cities better map out the stakeholders which can support their LGD. More information on the concept and each industrial ecosystem is available [here](#).

## 3.2 The work has already begun and the time is right

Over the past decades, most European cities have developed strategies to address the environmental, social, and economic challenges associated with rapid urban expansion and unprecedented growth in human activity. For example, between 2014–2020, more than 680 cities implemented sustainable development strategies under the cohesion policy that focuses on climate adaptation, air quality, low carbon society, mobility, circular economy, energy or nature-based solutions<sup>4</sup>. In most cases, sustainability strategies address the policy areas of the EGD. However, many of the strategies have been shaped, and sometimes constrained, by pre-existing administrative structures and decision-making processes, budgetary constraints, and changing political agendas. Instead of looking at sustainable development holistically (that is, as a core part of a city and embedding it across all areas), many strategies have often been designed to target specific issues, sectors, or processes.

This trend has been mirrored by several European initiatives developed to date to support sustainability at the local level, for example the *Covenant of Mayors*, the *Mission on Climate-neutral and smart cities*, the *Green City Accord*, the *Circular Cities Declaration*, the *European Green Capital Award and Network*, *Network Nature*, the *Climate Pact* and the *Smart Cities & Communities framework*<sup>5</sup>. Whilst these initiatives are key to promoting valuable ways for cities to become engaged in the transformation towards a sustainable Europe, their approach focuses on specific sectors and priorities that are complementary.

Working on sector, or topic specific initiatives and strategies that have been developed in isolation can lead to conflicting agendas, implementation challenges<sup>6</sup>, and competition for resources. In the current context of cross-cutting challenges, such as the climate emergency, socio-economic crisis, and budgetary restrictions, cities need to purposefully align their different policies to ensure a coherent approach.

A combination of supporting international frameworks (the Paris Agreement, 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs)), progressive European and national sustainability policies and initiatives, and an urgency for cities to deliver on sustainability rather than strategise, makes now the right time to develop approaches that support implementation and deliver action – LGDs. There is also a unique opportunity for cities to benefit from the favourable European and national financing initiatives, such as the European Union's unprecedented *NextGeneration EU* recovery plan, national recovery plans, and the EU structural funds for 2021–27, which will take the Green Deal priorities into account.

Finally, private stakeholders have never before been so engaged on questions of sustainability: *Figure 1* for example shows how businesses are starting to adapt to meet rising market demand for sustainable products. This creates an unprecedented opportunity for cities to collaborate with local stakeholders around sustainable initiatives.

<sup>4</sup> Article 7 cities' of the European Regional Development Fund).

<sup>5</sup> The Smart Cities & Communities framework, established in 2012 by the European Innovation Partnership, embraces the holistic and integrated approach which LGDs support e.g. its Smart Cities Marketplace looks across sectors at the 18 integrated H2020 Lighthouse Projects, translating them into financing for city projects

<sup>6</sup> For example, the responsibility for delivering better air quality targets might lie within a city's environment department and not be connected to a city's transport, industry or construction department

Figure 1- The growing market for sustainability

## Changing stakeholder expectations



**Talent**

**84%**

*of employees are more loyal to a company that contributes to social / environmental issues*



**B2C customers**

**+30%**

*of consumers are looking to move towards sustainable companies and products after COVID 19*



**B2B customers**

**+81%**

*of companies stated that their commitment to sustainable has increased over 5 years*

## Changing market environment



**New / more sustainable products are displacing 'old'**

**~200% p.a.**

*annual growth rate of BeyondBurgers; alternative meat is growing 5-20x faster than beef in some EU countries*



**Capital is shifting to sustainability**

**>30%**

*of capital is ESG; highest scoring ESG players enjoy ~1.1pp cheaper WACC; investors are becoming activists*



**Stringent targets are the new normal**

**23%**

*of Fortune 500 companies have a science-based target, up from >5% 5 years ago*

Source: Edelman Trust Barometer 2020 | Bain 2020 | Sustainable procurement barometer: from compliance to performance 2019 | Euromonitor 2019 | Bloomberg, CPAAnalytics, Witold Henisz, Global Sustainable Investment Alliance, Global Sustainable Investment Alliance | SBTi 2020

# What is a Local Green Deal?

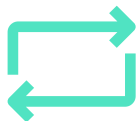
## 4.1 A new approach to accelerate the transformation towards sustainability

To deliver the EGD at the local level cities need:



### Governance

*New integrated governance and management structures that take into account multidisciplinary values (environmental, economic, and social) to support sustainable decision-making, policy development and action in a broad context;*



### Action

*An approach where partnerships deliver concrete action, leading to collaboration agreements;*



### Integrated goals

*An assessment of strategies and policies to ensure alignment and bring together targets, local plans, partnerships, funding and initiatives to ensure climate-neutrality and sustainability are implemented in a coherent way;*



### Partnership

*A multi-stakeholder approach, where public, private, community, and voluntary sectors from across the city's industrial ecosystems work together to deliver common goals;*

Most European cities already have policies, projects, and initiatives in place to support sustainable development and sustainable industrial transformation. Bringing together and analysing existing strategies and plans is an important first step, for example, SECAPs, SUMPs, SDG Strategies, land-use plans and sustainability strategies. The goals of each strategy and plan need to be checked and aligned with the ambition of the EGD to ensure the ambitions achieve the necessary transformation at the local level. Identifying overlaps, synergies, and gaps is also key to the analysis. Bringing together plans and actions and building a network of local partners to support delivery will improve efficiency in the use of existing resources and will accelerate implementation.



### A LOCAL GREEN DEAL SHOULD

Ensure multilevel governance of strategies, budgets, and initiatives, through coordination between EU, national, regional, and local government (vertical), and cooperation between actors working at the same level (horizontal)

Align strategies and bring together targets, partnerships, funding, and initiatives across city departments

Provide an approach for addressing cross-cutting issues such as the economic future of an area, reskilling, social exclusion, and climate change

Provide a shared vision and sense of long-term priorities for the city, and reflect those in the urban planning framework

Promote cultural change and empower all people to participate and become involved in decision-making, and co-creating solutions

Provide effective governance and structures to encourage rapid action, manage collaborations, improve cost-efficiency, and make the most of available resources

Help embed sustainability into the city's budget and investment plan



### A LOCAL GREEN DEAL IS NOT

A top-down approach where the city takes sole responsibility for delivering policies and initiatives

A new sustainability strategy or a set of environmental targets

A series of isolated sustainability policies or initiatives

A rebranding exercise for the city's existing practices

A certification or award scheme

A standardised approach to sustainability policy

A funding guide



### ADDED VALUE OF A LOCAL GREEN DEAL APPROACH

A multilevel governance approach is key to scaling up the implementation of sustainability goals and ensuring action plans are resilient to political and administrative changes.

A comprehensive overview of the city's sustainability goals and actions will help avoid silo working, identify existing implementation gaps, and create new opportunities for cooperation around existing goals.

Ensuring sustainability goals are addressed through the city's entire policy, strategic, and governance framework will minimise the risk of conflicts between different goals, and reduce competition for resources between departments.

A credible commitment to long-term change is essential to secure the trust and collaboration of local stakeholders with cities.

Nurturing a local culture of sustainability will ensure the long-term commitment of stakeholders to support the delivery of sustainability.

Flexible, joined-up governance and management structures will decrease administrative costs, support innovation, and encourage local stakeholders to work with the city.

A comprehensive approach to sustainability may help identify new funding sources or decrease funding costs for city investment priorities

## 4.2 Key Principles of a Local Green Deal

Whilst cities face common sustainability challenges, their priorities, and the context in which they operate may be different. A LGD will need to reflect diverse local policies and priorities, including the culture, heritage, employment base, and how engaged citizen already are in the city. As each city has unique characteristics, each LGD approach may take a different shape.

However, all LGDs should share key common principles, aiming to build upon existing best practice models of integrated sustainability strategy (for example, Sustainable Energy and Climate Action Plans, “SECAPs”) and turn them into action. Those principles distinguish LGDs from traditional approaches to sustainability, and should help cities achieve their goals more effectively than in the past. Buying into those principles will require cities to make the most of all the levers available to them to promote, facilitate, and enable change.

## BUILD ON WHAT IS ALREADY THERE

Most European cities already have policies, strategies, and initiatives in place to support sustainable development. The purpose of each LGD approach will be to bring these together in a coherent way, so as to leverage their impact more effectively.

### Levers:

- Mapping of existing local policy framework, budget, and timelines
- Governance structures allowing for a strategic alignment of the existing local policy framework, budget and timelines.

## THINK BIG

Set out a shared, long-term, strategic vision, and long-term priorities for a place, and provide an approach for considering, and deciding how to address cross-cutting issues such as climate change, the circular economy, and social exclusion. Building these issues into the city's vision in an integrated way is at the heart of creating a LGD at the local level.

### Levers:

- Ability to set strategic goals, lead decision-making, and set budget for cross-cutting policy areas
- Cooperation between the city and other public authorities that have strong strategic, decision-making and budgetary remit in the area (e.g. public utilities company, local transport authority)

## LEAD BY EXAMPLE AND SHOW COMMITMENT

Political leadership shows commitment, and gives credibility when developing and implementing a LGD with citizens, stakeholders, businesses, and potential funders. Leaders have to be willing to change what they do, and how they develop LGDs. They will need to create an enabling environment for change, communicate the importance of the change they are advocating for, and remain actively involved. Leadership will also need to acknowledge, identify, and manage risks associated with developing a LGD and working in partnership.

### Levers:

- Hands-on political approach, creating accountability for sustainability goals within the local government
- Strong local communication on LGDs

# MULTILEVEL (VERTICAL) GOVERNANCE PROCESSES

Multilevel governance between all levels of government (vertical integration), will be required to ensure cities input into the development of relevant legislation, and initiatives (on topics such as transport, energy, the built environment, and climate), and also to ensure that funding programmes respond to the needs of cities.

## Levers:

- Political inputs into the regional, national and European policy development process

# AN INTEGRATED APPROACH

## (HORIZONTAL COORDINATION)

Addressing certain sustainability issues that have traditionally been addressed by sector, by a single, organisation, specific department or strategy of a city will require a change of approach, structure, and culture. Horizontal coordination in governance will be required, as many cross-cutting sustainability issues need to be addressed with, or require the cooperation of, different departments in a city. Horizontal coordination means working across silos. The traditional sustainability frameworks used by cities often rely heavily on a small number of departments – typically energy, transport, and waste management – to reach sustainability goals. This can lead to competing strategies that are not aligned, as well as challenges when implementing actions. Successful LGDs require strong collaboration between different departments and stakeholders across the city. Departments with a cross-cutting remit that would not traditionally embrace sustainability as their goal should be particularly targeted (for example, finance, procurement, economic, and education departments). The key is to address competing priorities and identify synergies between policies and actions, while ensuring they address sustainability objectives in a long-term coherent way.

## Levers:

- Integrated management structures
- Incentivising staff to champion sustainability and collaborate across departments
- Training
- Using the city's urban development plan to coordinate cross-cutting sustainability objectives

## A COLLABORATIVE APPROACH

LGDs will require cooperation with local stakeholders. Cities have a privileged role to play as facilitator between public, private, voluntary, education, knowledge, and community sectors, which can be used to convene and partner with others to support the development of a LDG approach, raise awareness, and support implementation activities. A LGD approach can bring together local service providers from different sectors to provide cross-cutting solutions to meet local needs. Working collaboratively with stakeholders can improve efficiency and coordination, and lead to more integrated, holistic, and better solutions. Local stakeholders must act as ambassadors to amplify the reach of the city's sustainability initiatives.

### Levers:

- Hands on political involvement in building relationships with key stakeholders
- Management structures incentivising staff to build relationships with local stakeholders
- Using staff as intermediaries to reach out to the community

## ACTION-ORIENTATED AND HIGH-IMPACT APPROACH

LGDs need to ensure implementation and action with long-lasting impacts. There might be value in using city-led initiatives to kick start co-production, co-design, and co-innovation approaches. Those actions will pave the way for long-term, and systematic change in the way that the city works with stakeholders to implement their sustainability policy. Ultimately, however, LGD actions should go beyond public-led initiatives. Once the city has established connections, trust, and working practices with local stakeholders, there will be value in formalising their collaboration. A core element of a LGD is developing and implementing agreements (“deals”) to cooperate. These agreements should clearly identify the key actions that each stakeholder commits to lead, the support offered by all of the signatories, and timeframes for delivery. Such agreements should be reviewed and updated regularly, to maintain momentum when implementing the LGD.

### Levers:

- Using publicly-owned assets (for example, land or company) to pilot collaborative projects
- Unlocking logistics, financial, regulatory and/or advisory support for local stakeholders driving forward sustainable initiatives
- Using written agreements to formalise long-term actions and partnerships

# INVESTMENT IN THE SUSTAINABILITY TRANSFORMATION

To achieve the EGD, a significant investment programme will be required. Key to driving transformative actions will be ensuring that public funds are used to encourage private and civic sector actors invest further into sustainable actions. Cities will need to use a mix of financial mechanisms to achieve this and stimulate the development of local social economy approaches and solutions, circular business models, and local enterprises. A combination of direct economic incentives (for example, in the form of grants and loans), fiscal measures (for example, tax or subsidies) and co-investment structures (for example, through public-private partnerships) will be required to ensure transformation.

## Levers:

- Pooling existing budgets for sustainability initiatives
- Collaboration with national government and the EU to secure funding packages
- Using publicly-owned assets (land or companies) to channel investment through partnerships
- Local regulation to promote sustainable investments
- Fiscal policy powers

# CREATE TECHNOLOGICAL TRANSFORMATION

Technological innovations are re-shaping global societies and economies. In order to achieve a sustainable transition, cities must leverage those to their advantage. Their actions should be both adaptive (for example, searching for, identifying, and adopting technologies that can support their sustainability goals) and proactive (for example, working with enterprises and research institutes to steer innovation towards solutions that will serve the interest of the citizens and the public good).

## Levers:

- Using public procurement to pilot new technologies and create markets for sustainable solutions, and encouraging other stakeholders to do the same
- Providing financial, logistical, or advisory support to local innovators

# ENSURE RESILIENCE

Climate change, technological innovations, political changes, and socio-economic crises are driving rapid transformation in global societies and economies. Cities must ensure that their ability to meet their sustainability goals is resilient to those systemic changes. Their governance processes, partnerships, and action plans should therefore focus on creating long-term commitments, flexible management structures, and robust risk mitigation strategies.

## Levers:

- Setting long term goals and commitments
- Creating independent multi-stakeholder governance structures
- Creating flexible management structures
- Diversifying funding sources
- Building long term partnerships and agreements to cooperate with local stakeholders
- Assessing and managing risks, and identifying opportunities through regular monitoring



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# Local Green Deals and Financing

Cities are increasingly faced with limited human, financial, and natural resources, especially in light of the COVID-19 crisis. A LGD can assist cities in developing, piloting, and implementing various ways to finance their sustainable transition. The ability to attract funding from a broad range of sources is essential to ensuring that the LGD can support a wide range of initiatives from cities and local stakeholders. Ensuring that those funding sources are combined effectively is key to ensuring that the cost-efficiency of individual actions is maximised.

## 5.1 Directing existing budgets towards sustainable initiatives.

A LGD should be used as a framework to analyse and re-orient the way that cities spend their existing resources. By weaving in sustainability goals across their policy framework, and daily management practices, LGDs should mainstream sustainability considerations into their budgetary decisions, both for capital investment, maintenance and operational expenditure. Wherever possible, existing local budgets should be directed towards initiatives, technologies, infrastructure, and businesses that support the transformation towards a climate neutral, sustainable city and society. Integrating

innovation and sustainability considerations into public procurement processes will be one of the key tools that cities can use to achieve this.

When looking at opportunities to fund initiatives with positive environmental and social impacts, cities should ensure that the activities proposed align, as far as possible, with the *EU Taxonomy for Sustainable Activities*<sup>7</sup>. This will help ensure that the activities funded under the LGD are truly sustainable, improve the cities' ability to access European funding for those initiatives, improve access to private sector sources of green finance, and help ensure that private stakeholders and investors understand the environmental standards that are expected from LGD-related activities.

## 5.2 Integrating budgets for greater value-for-money

Cooperation across different policy sectors, and areas of governance promoted by the LGD should encourage greater cost-effectiveness in the funding of such initiatives. Through the LGD, departments, and public bodies from across the city should be actively encouraged to align their financial resources to deliver sustainable action jointly. Within legal limits, this should notably involve combining existing budgets to deliver better, more sustainable initiatives, and looking for cooperation opportunities when applying for funding. Building up those integrated financial management practices should help increase the value-for-money of sustainable initiatives. A LGD should create a comprehensive framework to ensure that the different actions funded contribute to the achievement of the LGD objectives in a systematic and integrated way.

The EU's *2021 review of green budgeting practices* in Member States can provide inspiration to cities looking to shape integrated budgets that support sustainable action.

<sup>7</sup> The EU taxonomy for Sustainable Activities is a classification system establishing a list of environmentally sustainable economic activities. It is an key enabler to scale up sustainable investment and implement the EU Green Deal. By providing clear definitions to companies, investors and policymakers on which activities can be considered sustainable, it can help companies to plan the transition, protect investors from greenwashing, and shift investments where they are most needed.

## 5.3 EU and national funds

In addition to providing a framework in the form of the EGD, the EU and Member States have put in place financing mechanisms to support transformative recovery. These include the *Multiannual Financial Framework* (MFF) for 2021-27, the temporary '*NextGenerationEU*' (NGEU) recovery instrument (2021-24), the *Recovery and Resilience Facility*, and national recovery funds. There are opportunities for cities to tap into these funds – such as through innovation projects – in order to recover from the social and economic impacts of the pandemic, while also securing green transition and resilience. In particular, 37% of the funding unlocked through MFF and NGEU is ring-fenced for initiatives supporting climate neutrality, while 20% is earmarked for initiatives supporting the sustainable digital transition<sup>8</sup>

The strong political commitment to sustainability, demonstrated through a LGD, should help cities secure external funding opportunities. The vertical alignment of a LGD with national and European goals should provide a good starting point for cities to negotiate funding agreements with institutions and funding schemes, which support sustainable development initiatives. A LGD should improve cities' readiness to access relevant funding opportunities as they emerge:

A LGD could also envisage advisory support for the preparation of investments related to its activities. For example advisory support is available from the EIB through *JASPERS* (Joint Assistance to Support Projects in European Regions), *ELENA* (European Local Energy Assistance); and *URBIS*<sup>9</sup> (Urban Investment Support for urban projects and financial instruments via the European Investment Advisory Hub).

<sup>8</sup> [www.consilium.europa.eu/en/infographics/mff2021-2027-ngeu-final/](http://www.consilium.europa.eu/en/infographics/mff2021-2027-ngeu-final/)

<sup>9</sup> Please note that URBIS will be discontinued in the coming years

<sup>10</sup> See Milan case study in section 8 for an example of an EIB-funded LGD initiative



- ☆ New EU grant and loan opportunities linked to the EU Green Deal;
- ☆ Existing and new EU funding programmes for sustainability initiatives including *Horizon Europe*, *LIFE*, the *Single Market Programme* (replacing COSME), *Digital Europe*, the *ERDF*, the *Cohesion fund*, *REACT EU*, the *ESF*, and the *European Urban Initiative* (replacing Urban Innovative Actions);
- ☆ National Recovery funds;
- ☆ Funding from the *European Investment Bank* (EIB), for example through thematic urban framework loans (which can be used to finance multi-sectoral investments targeting Green Deal priorities across a city's investment programme), or through urban financial instruments.<sup>10</sup>
- ☆ Sustainable infrastructure development programmes from the *European Bank for Reconstruction & Development Green Cities programme*.

As highlighted by the pioneering work of several cities working on LGD approaches, it is acknowledged that the preparation phase of a LGD requires investing time and effort (see also the overview of key steps in [section 6](#) below). It has also been recognised that a neutral intermediary party is often useful in establishing effective public-private cooperation. Cities and intermediary organisations/administrations should advocate for EU, and national funding opportunities to cover this preparatory phase, which is critical to the whole LGD process. Potentially, some of the advisory sources indicated above (eg. JASPERS, URBIS, ELENA) could support cities with such preparatory activities.

## 5.4 Private funds for public initiatives

Cities should explore alternative ways to raise funding for public-led sustainability initiatives. Measures to be explored include raising taxes (for example, land development taxes, increased taxes on unsustainable businesses, use of revolving funds), and setting-up new channels for local stakeholders to support publicly-led initiatives (for example, green bonds, and crowdfunding opportunities).

## 5.5 Leveraging private investment

Cities should encourage private stakeholders to adopt a sustainability mindset in everything they do. Cities implementing LGDs should therefore develop an array of mechanisms to encourage private investment in sustainability initiatives. Measures to be considered include the following<sup>11</sup>

As a platform acting across sectors, the *Smart Cities Marketplace* (SCM) and its integrated Explore-Shape-Deal *Matchmaking process* can facilitate cities' access to private investment via its steadily growing investor network<sup>12</sup>. Activities, such as dedicated SCM financing master classes, may also be organised to provide cities with hands on advice to shape bankable LGD actions, which can be financed by private investment.

In addition, the *EU Climate Pact* will help share knowledge about measures encouraging private investment in sustainable initiatives, and provides helpful resources to cities and local stakeholders on that topic.

<sup>11</sup> NB: As national regulatory frameworks will impact what can legally be done, cooperation with national governments will be essential in determining what measures can be developed in a city or region

<sup>12</sup> <https://smart-cities-marketplace.ec.europa.eu/matchmaking/investor-network>



- ☆ Fiscal incentives for sustainable initiatives, such as tax breaks;
- ☆ Policies promoting sustainable investment, such as urban planning policies requiring private development projects to meet certain environmental and social standards;
- ☆ Gap or low-cost funding for initiatives demonstrating strong alignment with local sustainability goals, such as grants, or low-interest loans;
- ☆ Financial partnerships for viable projects demonstrating strong alignment with local sustainability goals. For example, loan securitisation, or equity investment in private initiatives;
- ☆ Partnership structures leveraging public assets to support private initiatives, such as providing land, buildings, or free advisory support for private stakeholders to develop sustainable initiatives;
- ☆ Setting-up complementary currencies to support sustainable local initiatives.

# Key Steps to Develop a Local Green Deal

## 6.1 Overview:

Implementing a LGD does not require a strategy, but can be started with some simple steps. However, having a well-developed approach in place will help to ensure that sustainability is effectively and systematically integrated into a city's activities over the longer term.

The steps below outline how a city can implement a LGD, breaking it down in two stages:

- **Stage 1:** Building momentum
- **Stage 2:** Scaling up

These steps have been put together based on input and lessons learnt from cities that are either already implementing LGD approaches, or aligning their work with the principles of a LGD. In this section, snapshot case studies are provided to illustrate each of the steps. More detailed case studies are available for Metropolitan Region Amsterdam (The Netherlands), and the cities of Mannheim (Germany), Espoo (Finland), Milan (Italy), and Umea (Sweden) in the annex. For additional inspiration,

the European Committee of the Regions' [Green Deal Going Local website](#) provides several other examples of initiatives showcasing good practices aligned with those steps. The EU Islands Initiative Transition Handbook also provides a useful example of how similar steps can be practically implemented in cities, building on experiences gathered from EU Islands which are implementing action for a green transition.

## 6.2 The stages of a Local Green Deal approach:

The LGD approach is deeply rooted in the ability of a city to gain the commitment of local stakeholders to cooperate together. Building trust and relationships across an extensive network will however take time. The two stages of the LGD approach are illustrated in Figure 2 below.

- **Stage 1: Building momentum:** The first stage concerns building strong relationships with local individuals and organisations, delivering joint actions, and demonstrating that city-stakeholder collaboration adds significant value to implementing initiatives. This stage focuses on making the most of immediate opportunities for joint action, and building on the existing strengths of the city and local stakeholders. It involves getting existing city staff engaged, identifying quick wins for integrated actions across the city's sustainability framework, and mobilising pro-active stakeholders into action. The implementation of successful deals through those initial partnerships will demonstrate that cooperation works, and will help build the case to scale up the approach in stage 2.
- **Stage 2: Scaling up:** The goal of the second stage is to increase the number of partnerships established between the city and local stakeholders, embedding the LGD approach at the governance level. The steps for this stage follow the same logical sequence as the steps highlighted for stage 1, but some additional actions will be key to scaling up the approach. In particular, a collaborative governance model will need to be formalised to ensure that interactions between

different partnerships and initiatives are managed efficiently. Opportunities for new deals should be identified and mobilisation efforts should place a stronger focus on local stakeholders that are not traditionally engaged in sustainable thinking. This process is meant to become iterative and long-lasting once effective governance structures are in place. When the LGD approach has been demonstrated through several successes, new deals can be continuously added, covering a wider range of topics and fully embedding collaboration with local stakeholders in the governance framework of the city.

It is worth noting that cities who are considering implementing a LGD may start from different maturity levels. When looking at the approach highlighted above, some cities may realise that they are already doing a lot of the activities covered by Stage 1, and already benefit from significant momentum supporting collaboration on sustainable initiatives. Cities benefitting from such a favourable context may want to start directly with Stage 2: using the LGD approach to streamline processes, scale up, and integrate collaborations across their entire strategic and governance frame

## Stage 1: Building momentum



## Stage 2: Scaling up

*(integrating LGDs into the entire strategic and governance framework)*



## 6.3 Step-by-step approach:

# STEP 1 – BUILDING THE CASE

### Stage 1 (Step 1A): Building momentum

1. Identify existing high-level policy goals, both at the local and national level. These can help to gather support, and potentially form the starting point of a LGD.
2. Assess what is done already. Look at existing initiatives and practices already led by the city and local stakeholders, and build on what is already being done.
3. Look at your city's existing governance and implementation structures. How are decisions made? Understanding this picture allows you to identify influencers who can support your LGD.
4. As a political leader, or a high-level city official, outline the benefits the city stands to gain from developing a LGD approach. Such benefits could include: meeting policy goals; increasing financial efficiency; or improving trust in the local democracy.
5. Build trust among strategic local stakeholders, and outline how they could benefit from cooperating with the city in developing a LGD approach.

### Stage 2 (Step 1B): Scaling up

Based on the outcomes of the Stage 1 progress monitoring exercise (*Step 7A*), repeat Stage 1 (Step1A), building on demonstrated successes to build a stronger case for scaling up the LGD approach.



## STEP 1 - Building the case - Cities in action

# MANNHEIM'S LOCAL GREEN DEAL

Mannheim is one of the largest cities in southwest Germany, home to 310,000 inhabitants. The city was once an industrial hub, but has, over the last decades, sought to use ambitious sustainability action to shape its reinvention.

The city has used the EU Green Deal as a strategic opportunity to re-shape its approach to delivering sustainability policy. Its goal is to drive deep structural change by building bridges between sectoral priorities, leveraging action from local stakeholders, and exchanging with other cities to develop more effective ways of working.

In October 2020, Mannheim formalised this commitment by co-authoring and launching, with ICLEI, the [Mannheim Message](#), which sets out a comprehensive political case for developing a LGD approach. This vision, which was developed in the context of the city's own [sustainable development conference](#), is rooted in a spirit of international collaboration. Other cities wishing to develop a LGD on similar basis are welcome to sign and endorse the Mannheim Message.

The Mannheim Message benefits from the full backing of both the City Mayor and the Deputy Mayor for Environment and Climate. The City Mayor is frequently seen presenting the Mannheim LGD vision at European events, helping to build momentum, visibility and commitment from local stakeholders around the work of the city's LGD team.

# STEP 2 – APPOINTMENT OF A TEAM TO MANAGE AND COORDINATE THE LGD PROCESS

## Stage 1 (Step 2A): Mobilising existing staff and local stakeholders connexions

1. A LGD process will benefit from being led by a **steering group**, which has an **inter-departmental mandate** and includes public, private, and community representatives.
2. Ensure that your LGD steering group has the **right skills**. Multi-disciplinary expertise, leadership skills, the ability to build bridges between different stakeholders, a strong understanding of sustainability policy, and the ability to engage in networks and discussions at the national and European level would all be essential.<sup>13</sup>

<sup>13</sup> To understand the types of skills and roles needed within the steering group, take a look for an example at the composition of the [Amsterdam Economic Board](#)

## Stage 2 (Step 2B): Formalising the LGD governance structure

1. Based on the outcomes of the Stage 1 progress monitoring exercise (see [Step 7A](#)), review the need for bringing additional skills into the steering group.
2. Formalise the mandate of the steering group and ensure that robust governance processes are in place to support its work.
3. Consider new funding models to increase the budget of the steering group.
4. Develop processes for facilitating the inclusion of additional public, private and community representatives into governance processes.



Source: [www.espoo.fi/sustainableespoo](http://www.espoo.fi/sustainableespoo)

## STEP 2 - Appointment of a team to manage and coordinate the LGD process - Cities in action

# SUSTAINABLE ESPOO'S 20-STRONG TEAM, SUPPORTING 14,000 IMPLEMENTERS AND 100 PARTNERS.

*Sustainable Espoo* is a cross-administrative programme that organises and steers Espoo's sustainability work, helping the city reach its goals. It can be considered their LGD. A steering group, consisting of political and operational representatives, is in charge of defining the programme's action points, and engaging the relevant stakeholders for their implementation across the city. A sustainability team was appointed in order to accelerate progress, and to encourage citizen engagement and collaboration with RDI institutions, and the private sector. The team started with 5 members and has since grown rapidly to now include 20 members.

Team members demonstrate strong business engagement skills, which supports Espoo's goal to become the best partner for sustainable innovations. They have developed working relationships with nearly one hundred local businesses and RDI institutions keen on leading sustainability actions. Cooperation methods include working on standalone projects (for example, developing energy positive districts or circular economy business models), and strategic partnerships with companies headquartered in Espoo (for example, a digital technology partnership with Nokia, or district heating carbon neutrality goals with the energy producer Fortum).

Notably, the Sustainable Espoo team also works closely with other city departments in order to ensure that the city's 14,000 employees receive adequate support to contribute to Espoo's sustainability goals. For example, cooperation with the city's citizen engagement officials, and education department helps promote cultural change across the entire city. Thanks to those collaborations, the city is able to reach out to public service providers, such as teachers and social workers, and those intermediaries champion Espoo's sustainability goals among local communities.



Source: visitumea.se

**STEP 2 - Appointment of a team to manage and coordinate the LGD process - Cities in action**

## UMEA USES FLAT MANAGEMENT STRUCTURE TO IMPLEMENT ITS CLIMATE CITY CONTRACT

With 130,000 inhabitants, Umeå is the largest city in northern Sweden. In 2020, it formally committed to a *Climate City Contract* approach, following the Swedish National Government's template for LGDs. The success of the Climate City Contract lies strongly with the flat hierarchical system put in place by the city. The responsibility for creating partnerships and delivering actions supporting the initiatives is highly decentralised, spread across all of the city's departments, and led by staff of all levels of seniority. Staff members currently driving initiatives under the Climate City Contract include urban planning specialists, circular economy specialists, procurement specialists, and climate change experts.

## STEP 2 - Appointment of a team to manage and coordinate the LGD process - Cities in action

# LEUVEN 2030'S: INDEPENDENT GOVERNANCE STRUCTURES AND INTERNAL COORDINATION

*Leuven 2030* is a strategic approach adopted by the city of Leuven (Belgium) to meet its sustainability and climate goals. The initiative started in the early 2010s to promote climate neutrality in the city by 2050, with an important intermediate milestone in 2030. Since its launch, it has progressively developed into a *comprehensive framework*, which sets the direction for much of the city's climate action, and seeks to mobilise stakeholders from across society. The framework is built around four thematic clusters (energy, mobility, circular economy, and adaptation) and one horizontal cluster, focused on governance and financing, inclusive participation, and data and monitoring. To implement the plan, Leuven 2030 is taking a systemic approach, geared towards large-scale, transformative change, in line with the aspirations of the EGD.

The success of the Leuven 2030 approach is underpinned by its management structure, which is designed to involve local stakeholders directly in the development and implementation of its actions. The initiative is governed by an independent NGO, allowing it to run independently from the city's administrative processes. The NGO governing body includes both representatives from the city and local stakeholders, organised into five distinct membership categories (citizens, companies, knowledge institutions, local government, and semi-public institutions), each with equal representation and equal voting power. Any local stakeholder representative can request to join, ensuring broad and inclusive representation.<sup>14</sup> It operates on a paid membership model, which helps support running costs whilst ensuring that those who join are committed to cooperation.

Day-to-day management structures are designed to break silos between initiatives and activate leadership throughout the whole community. The project managers of each action organised under Leuven 2030 meet regularly to coordinate work and safeguard a strategic and systemic approach in order to accelerate the transition.

<sup>14</sup> The list of current members is available [here](#).



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## STEP 2 - Appointment of a team to manage and coordinate the LGD process - Cities in action

# ROADMAP NEXT ECONOMY FOR THE METROPOLITAN REGION ROTTERDAM-THE HAGUE

The metropolitan region of Rotterdam-The Hague consists of two major cities, and 21 municipalities. It is home to 2.2 million citizens, and represents the most densely populated area in the Netherlands. The 23 local authorities have combined forces to develop the [Next Economy Roadmap](#).

The Roadmap is a comprehensive economic strategy, which supports a transition to a digitalised, and sustainable economy, including zero-emission, zero waste, and social inclusion. It is the region's response to challenges such as climate change, urban population growth, digitalisation, the rise of new economies, and the depletion of natural resources. The Roadmap focuses on five pathways of action for the new economy strategy: smart digitalisation; smart energy; circular economy; entrepreneurial region; and next society. While presented separately, there are many cross-overs among these pathways.

For this strategy, a transition approach was followed, involving an evolutionary governance model. The approach is led by a small core team of analysts and policy makers, and is actively supported step-by-step by experts from the region. In particular, the Metropolitan Region has brought together more than 300 stakeholders, from industries, professional associations, research institutes, and civil society organisations in a multi-perspective effort with TIR Consulting Group LLC.

# STEP 3 – IDENTIFY EXISTING COMMITMENTS, STRATEGIES AND ACTION PLANS

## Stage 1 (Step 3A): Building momentum

1. Identify **existing sustainability policies and targets** (for example, climate action plan, sustainability strategy, SECAP, etc.), **sectoral policies** (for example, mobility plan, air quality plan, urban development plan, construction plan, local industrial strategy, social inclusion strategy, etc.) and your **administrative policies** (for example, procurement strategy, finance policy etc.).
2. Most of your goals, commitments or targets are likely to be relevant for more than one policy area of the EGD, and identifying those **interfaces, gaps, potential trade-offs and synergies** between your existing policies is key.

## Stage 2 (Step 3B): Scaling up

1. Based on the outcomes of the Stage 1 progress monitoring exercise (see [Step 7A](#)), repeat the Stage 1 (Step 3A) process, integrating any new goals, commitments or targets into the analysis.



### STEP 3 - Identify existing commitments, strategies and action plans - Cities in action

## UMEÅ'S CLIMATE CITY CONTRACT: BRINGING TOGETHER LOCAL, NATIONAL AND GLOBAL COMMITMENTS

*Umeå's Climate City Contract* sets out the targets, roadmap, and obligations the city has set itself to reach its climate goals by 2030 under the Paris Agreement. The Swedish Government<sup>15</sup> acts as a co-signatory, and the Contract sets out the commitments it gives the city to implement this vision.

The Contract brings together existing local and national targets and actions related to areas where central coordination, regulation, and funding are valuable to unlock the city's sustainability goals, for example: setting-up a long-term sustainable investment framework for the city, or developing digital tools to support the climate and energy transition.

At the local level, the Climate City Contract is fully supported by the existing local policy framework, and a local action plan for implementing the contract is also under preparation. This document will identify key initiatives needed to deliver the city's obligation in partnership with key local stakeholders, under the existing policy framework.

<sup>15</sup> In the Climate City Contract, the Swedish government is represented by 4 national agencies: the [Swedish Innovation Agency](#), the [Swedish Energy Agency](#), the [Swedish Agency for Economic and Regional Growth](#), and the [Swedish government research council for sustainable development](#).



### STEP 3 - Identify existing commitments, strategies and action plans - Cities in action

## SINGAPORE GREEN PLAN 2030: A NATIONAL SUSTAINABILITY MOVEMENT

With 5.7 million inhabitants, a population density of 7,800 persons per km<sup>2</sup>, and limited access to natural resources, the island city-state of Singapore faces unique sustainability challenges. Within limited land, Singapore must accommodate not only housing and employment space, but also national infrastructure such as airports, seaports, military training ground and reservoirs. This drives constraints on land availability and resources. In order to overcome those constraints and sustain growth, Singapore has adopted an integrated and long-term planning approach to optimize resources, aiming to ensure a clean and green environment, provide adequate quality housing and support various modes of transportation in the city-state.

For many years, the city-state has led multiple initiatives to improve its sustainability, ranging from a cap on the number of vehicles allowed on the island to a highly successful circular water management system. In order to scale up and accelerate its sustainable transition, Singapore has however become aware of the need for an integrated, long-term planning approach for such initiatives. In 2021, the



city-state announced the Singapore Green Plan 2030, a 10-year plan identifying concrete actions to increase sustainability in almost every dimension of the city-state's activities.

### The Plan is structured around five pillars:

- City in Nature
- Energy Reset
- Sustainable Living
- Green Economy
- Resilient Future

Each pillar is explicitly aligned with several of the SDGs. Under each of those pillars, the city-state has identified both a number of key goals to 2030 and opportunities to foster action from private sector and community stakeholders to deliver them. For example, a goal identified under the “Sustainable Living” pillar is for the city-state to collaborate with all of the public schools on the island to improve sustainability education curricula and deliver a two-thirds reduction of net carbon emissions from the schools’ sector by 2030. Under the “Green Economy” pillar, there are plans to attract companies to anchor their R&D activities in Singapore to develop new sustainability solutions such as low-carbon hydrogen.

The Green Plan is intended to be a living plan, which will evolve over time depending on the results of Singapore’s collective actions. The targets will also be reviewed as new technology is developed. This integrated and flexible approach to mapping opportunities will help create synergies between sustainable initiatives and accelerate delivery.

# STEP 4 – LAYING THE GROUND FOR THE LGD PARTNERSHIP

## Stage 1 (Step 4A): Building momentum

1. Clear **political support** towards the LGD will help address institutional barriers to change, foster internal buy-in for the initiative, and add credibility to the process when communicating with citizens and stakeholders.
2. Implementing LGDs will require **widespread internal buy-in** within the city administration. Identify and engage LGD champions in all of your departments, notably functional teams, which play a key role in delivering the LGD (for example, the finance and procurement teams).
3. A **stakeholder mapping exercise** will help you identify local community leaders, business representatives and initiatives that need to be brought on board to support your work. As a starting point, your engagement activities should include discussions with local economic actors (for example, key local employers), leaders of existing sustainability initiatives (for example, proximity and social economy enterprises), and key providers of community services (for example, associations of teachers, or social workers). *The Urbact Toolkit on stakeholder engagement* provides some useful guidance on effective stakeholder engagement approaches.
4. In order to turn stakeholder engagement into action, you should identify initiatives providing **immediate opportunities for cooperation**. You should consider launching an **open call for new initiatives**, aligned with your LGD goals to ensure that all of your citizens, businesses, and local institutions have an opportunity to bring ideas forward.
5. For every opportunity identified, you should ensure that your staff members leading the dialogue are committed to following up with stakeholders and supporting implementation. Your goal should be to **add value** to the stakeholders' sustainability initiatives. Building up this **trust** will be key to allowing you to progressively turn one-off initiatives into **formal cooperation agreements/deals** between your city and your stakeholders.
6. **Digital tools** should be at the centre of your LGD promotion activities. Creating discussion groups on existing social media platforms can help you start a digital community with limited upfront investment.

## Stage 2 (Step 4B): Scaling up

1. Based on the outcomes of the Stage 1 progress monitoring exercise (see *Step 7A*), repeat the Stage 1 (Step 4A) process, progressively **widening the range of stakeholders** involved in the LGD discussions.
2. Scale up the use of digital technologies to expand your communication activities with citizens, businesses, and institutional stakeholders. For example, consider transferring your engagement activities to a bespoke **online platform**.



#### STEP 4 - Laying the ground for the LGD partnership - Cities in action

## METROPOLITAN REGION AMSTERDAM'S STAKEHOLDER ENGAGEMENT STRATEGY

*The Metropolitan Region Amsterdam (MRA)* is a governmental cooperation of 32 municipalities, 2 provinces, and 1 transport authority. With 2.5 million inhabitants, it is the largest urban area in the Netherlands. In 2020, the COVID-19 crisis significantly impacted the region, costing the local economy 2.3 billion EUR per month and placing over 25% of local jobs at risk. The MRA took this socio-economic shock as an opportunity to rebuild the region on more sustainable foundations. As a result, it decided to integrate *its existing policy framework* – working to become an international top region with a high quality of life by investing in a future-proof and well-balanced metropolis – into a regional Green Deal strategy to accelerate the drive towards a sustainable development path. This approach was executed through local government cooperation (MRA) and the Amsterdam Economic Board, a public-private partnership acting as intermediary between government, business, and knowledge sectors for the Amsterdam region.

The region knows this transition cannot be achieved without the buy-in, involvement, and commitment of its local stakeholders. In 2020, a new approach was launched to facilitate cooperation between local stakeholders and local government on



initiatives supporting its strategic targets. This approach consists of setting-up “*Regional Green Deals*” to structure the collaboration between public and private actors.

The Regional Green Deal approach is rooted in public-private cooperation. The Amsterdam Economic Board acts as a key facilitator in identifying, coordinating, and supporting the involvement of stakeholders in the Regional Green Deals. In general, the Amsterdam Economic Board works to lay the ground and create the right ecosystem to support cooperation between government, business, and knowledge stakeholders.

Their methodology to drive stakeholder involvement is built *on 4 steps*: recruiting interested stakeholders; identifying opportunities to collaborate; facilitating exchange; and providing advisory support through data-driven insights. Diverse stakeholders were brought together to discuss the topics which would be the focus of the first green deals. They aimed to identify areas where cooperation and the adoption of commitments towards 2025 goals would accelerate action and deliver the most impact for the region.

Currently, the engagement activities follow a *Triple Helix* model and are focused mainly on the business community, government parties, universities and research institutes. However, the region can count on a strong culture of sustainability activism across the wider civil society. For example, the Amsterdam Economic Board acted as one of the initiators of the *Amsterdam Doughnut Coalition*, an initiative bringing together local businesses, social enterprises, NGOs, and citizens to deliver sustainable actions in Amsterdam. Where possible, those existing actions will be integrated into the Regional Green Deals.

*Amsterdam Smart City*, one of the programmes of the Amsterdam Economic Board, is an open innovation platform – a meeting and work place for metropolitan challenges and solutions. Companies, knowledge institutions, governments, and active residents come together, interact, and collaborate to develop the city and region of the future. The same goes for the Board Programmes *TechConnect* and *House of Skills*: here stakeholders from government, business, and education work together towards developing better tech and green skills for local citizens.



#### STEP 4 - Laying the ground for the LGD partnership - Cities in action

## STAKEHOLDER ENGAGEMENT: THE ESPOO STORY

A thriving culture of empowering citizens and encouraging innovation is the key ingredient driving Espoo towards a sustainable future. Participation is deep-rooted in the *Espoo Story*, rising from a profound commitment to leave no one behind, make everyone's voices heard, and empower all citizens to fulfil their potential. A sustainable future can only be realised when citizen input is utilised as a source of innovation. The city depends on participation at all levels, starting from building the city strategy on the priorities and ideas of Espoo citizens, partners, and staff. The Espoo Story sets the goals for all city units, and through doing so a participatory approach is embedded into everything, from city planning, to education curricula. Engaging staff is a crucial part of reinforcing a participatory culture. For example, 1,000 staff members, citizens, and partners participated in the city's first *Voluntary Local Review*, reviewing Espoo's progress towards a sustainable future.

In Espoo, the ability to contribute to open and dynamic innovation ecosystems, engaging and empowering citizens to participate in decision-making, and the use of experiments and innovation to improve the resilience and sustainability of the city are interconnected and interdependent processes. In Espoo, the city is understood as a service instead of simply as a structure. Espoo is home to the largest innovation and technology ecosystem in Northern Europe, and is committed to being the best partner city, providing testbeds for piloting new solutions which can then be scaled up and utilised in other parts of the world to tackle the pressing challenges of our time.



#### STEP 4 - Laying the ground for the LGD partnership - Cities in action

## AALBORG'S SUSTAINABILITY STRATEGY

*Aalborg's SDG Strategy* provides a roadmap for the sustainability work in the Municipality and is the backbone of their green transition. It includes visions and strategies that aim to promote an environmental and social just transition for the benefit of local citizens, business, and the environment. The strategy is based on the comprehensive sustainability framework provided by the SDGs and places a strong focus on opportunities for citizen engagement.

The strategy will serve as a guideline for all other municipal strategies and plans in Aalborg. The Strategy also seeks to ensure that the SDGs are used as reference points in establishing local goals for sustainable development. There are two phases behind setting-up the SDG Strategy: In the initial phase, the global challenges are framed in a local context and an overall sustainability direction is set. Expert groups and local stakeholders will then be consulted in an operational phase of the formulation of the SDG Strategy, where they will work in collaboration to set concrete goals.

Local stakeholders are also engaged thematically through four initiatives targeting different interest groups: the *Network for Sustainable Business Development*, the *Green Agent programme* for citizen-led initiatives, the *Centre for Green Transition*, and the *SMART Aalborg* programme, supporting the implementation of technologies supporting the sustainable transition.



#### STEP 4 - Laying the ground for the LGD partnership - Cities in action

## LILLE METROPOLE'S STAKEHOLDER ENGAGEMENT CAMPAIGN

Examples of effective approaches to stakeholder engagement can come from different sectors. Although Lille Metropole has yet to start an integrated LGD process, its experience of mobilising local stakeholders around its election as 2020 World Design Capital provides a valuable example of a city-wide stakeholder engagement campaign. Through a series of 50 events and 80 engagement workshops, Lille Metropole secured the participation of 3,000 stakeholders in prototyping design solutions to address urban development challenges associated with 6 themes: Public action; Circular economy; Living; Mobility; Caring; and Collaborative city. The *4-step co-designing approach*, which was created to support the development of prototype solutions, could be replicated to effectively mobilise stakeholders around LGD initiatives.

# STEP 5 – ASSESSMENT OF LEGAL AND FISCAL FRAMEWORK CONDITIONS

## Stage 1 (Step 5A): Building momentum

1. The European Commission is currently working to promote national and European research, policy, and legislative initiatives that can support LGDs.
2. Discussions at the national level might be more impactful coming from a **group of cities**. Consider approaching other cities exploring the development of a LGD within your country to enter joint discussions with your national government. If needed, use a third party organisation to help coordinate this dialogue (for example, a national association of municipalities). The ICC and other initiatives, like the *Green Deal Going Local*, can help you identify other cities working on LGDs in your country.
3. The delivery of your LGD should not rely solely on national funding. Also explore what **other funding sources** might be able to support your plan (for example, loans, private investment, EU financial instruments, project grants etc.) – see section 5 above.
4. Review the **revenue generating** capacity of public investments foreseen under the LGD, to understand their capacity for self-financing and the extent of additional funding which may be required.
5. Participatory governance models can lead to **participatory funding structures**. The more your local stakeholders, businesses, and institutions are on board and involved with the delivery of your LGD, the more they are likely to bring in their own financial resources to drive initiatives forward. Therefore, make sure to discuss business models and funding questions directly with local stakeholders whenever you explore initiatives with them. Direct public funding should only be used as a last resort for projects that cannot be supported with private capital.

## Stage 2 (Step 5B): Scaling up

Based on the outcomes of the Stage 1 progress monitoring exercise (see *Step 7A*), repeat the Stage 1 (Step 5A) process, aiming to progressively increase the share of private capital used in the initiatives supported by your LGD framework.



## STEP 5 – Assessment of legal and fiscal framework conditions – Cities in action

# MILAN'S CLIMATE ACTION PLAN: EIB SUPPORT, NEW BUSINESS MODELS AND PARTICIPATORY FUNDING

With a population of about 1.4 million, Milan is the second largest city in Italy. For many years, the city has been a frontrunner in delivering policy and actions in areas directly related to the EGD, including urban development, sustainable mobility, energy efficiency, sharing economy, social equity, public health, and smart cities.

However, through the COVID-19 crisis, the city became increasingly aware of the fact that the way in which it traditionally implemented policy and actions was not delivering sustainable transformation at a pace and scale sufficient to meet its goals. Therefore, in December 2020, the city adopted the [Milan Air and Climate Plan](#) – a new policy and governance framework that integrates all of the city's key sustainability goals, and sets out a roadmap, new governance mechanisms, and funding opportunities to deliver concrete actions to deliver those objectives.<sup>16</sup> The City has developed a robust strategy to leverage funding from a variety of sources:

- The transversal nature of the Plan allows funding to be made available through the existing budget sources of the city, which feed into the Plan's objectives;

<sup>16</sup> The plan currently brings together 25 targets and 49 actions already across five main objectives: Slow Milan (A city that moves in a fluid, flexible and sustainable way); Positive energy Milan (Better and lower use of energy); Cool Milan (A city that cools down); Inclusive Milan (A healthier, safer and fairer city); Informed citizens (a city where government and citizens work towards shared aims)



- The City recently secured a *framework loan* of *200 EUR million* from the EIB for the implementation of the Plan;
- The city hopes to secure an average of 60 EUR million per year from structural EU funds, such as cohesion policy funds, Horizon 2020, Horizon Europe, and LIFE projects to pilot innovation initiatives under the Plan;
- It is currently considering the adoption of a *Milan Transition Fund*, an innovative financing mechanism which would support private initiatives supporting technical and technological solutions for urban regeneration, with a focus on decarbonisation and zero-energy consumption;
- It has recently launched a civic crowdfunding initiative to leverage local stakeholder's investment into actions identified within the Plan;
- It is developing new business models to leverage private sector investment into sustainable initiatives. The city is for example using an *EU-funded project on Nature-based-solutions* to encourage businesses, individuals, and landowners to invest into green roofs across the entire city. Through a support package, including co-creation, grant support, procurement support and regulatory incentives, the city has secured widespread investment from local stakeholders.



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## STEP 5 - Assessment of legal and fiscal framework conditions - Cities in action

# NORD-PAS DE CALAIS REGION'S THIRD INDUSTRIAL REVOLUTION MASTERPLAN

*The Nord-Pas de Calais region (now Hauts-de-France)* is the northern-most region of France. Its prefecture is Lille.

The overall goal of the Third Industrial Revolution (TIR) in Nord - Pas de Calais is to make the regional economy one of the most resource-efficient, productive, and sustainable in the world. The Rev3 Third revolution Masterplan is a cooperation between the regional chamber of Commerce and the Regional administrative Council. It aims to bring together local stakeholders and leverage funding to deliver projects, promoting energy efficiency around 5 pillars: renewable energy distribution; energy storage; energy generation by buildings; smart grids; and mobility innovation.

The Masterplan is supported by innovative financing tools. For instance, the *Rev3 Saving Accounts*, a first of its kind initiative in France, it finances local and green projects linked to the rev3 dynamics. In addition, the *CAP3RA Investment Fund* was designed to support regional companies whose projects fit into the Rev3 dynamic and create employment in the region. An initial 37.5 million EUR was provided by Crédit Agricole Nord de France, the European Investment Bank, and the Hauts-de-France region. Lastly, a *financing HUB* gathers private and public players (banks, investors, public organisations, venture capitalists, solidarity-based finance) to accelerate the search for financing the Rev3 companies. Projects are presented to the region's principal financiers.

# STEP 6 – IMPLEMENTATION

## Stage 1 (Step 6A): Building momentum

1. Setting-up regular meetings to work on cross-cutting issues, specific topics and initiatives that support collaboration and knowledge exchange.
2. Develop mutual agreements between a coalition of companies, civil society organisations, and local government. The agreement should define the initiative or action to be implemented and outline the roles of the different partners involved.
3. Agreement on the allocation of resources and time plans for the implementation of the initiative and actions.
4. Information on activities, progress, results and calls for new initiative should be made fully available. To achieve this, consider developing a single digital platform dedicated to LGD initiatives and actions.

## Stage 2 (Step 6B): Scaling up

Reflecting back on lessons learnt from the Stage 1 progress monitoring exercise (see *Step 7A*), repeat Stage 1 (Step 6A), aiming to increase the number and reach of initiatives supported by the LGD approach.



## STEP 6 - Implementation - Cities in action

# MILAN'S CLIMATE GENERAL ASSEMBLY AND PARTICIPATORY BUDGET

In order to ensure the long-term progress and delivery of its *Climate Action Plan*, Milan has established governance structures, which keep the city accountable and ensure long-lasting cooperation with local stakeholders. It has notably set-up a new Climate General Assembly, based on the non-elective French model, which gathers community members from the city. The Assembly is tasked with regularly setting and updating goals set by the Climate Action Plan, and identifying new opportunities for action. Additionally, Milan has set up a participatory budgeting system, which allows local stakeholders to regularly identify and provide feedback on actions and funding opportunities supporting the city's sustainability goals.



## STEP 6 - Impelmentation - Cities in action

# METROPOLITAN REGION AMSTERDAM REGIONAL GREEN DEALS: SETTING CLEAR AGREEMENTS FOR COOPERATION

As of Summer 2021, four Regional Green Deals have been established in the Metropolitan Region Amsterdam, solidifying the commitment of public and private stakeholders to cooperate in delivering sustainable actions under the region's overarching policy goals. The Four Regional Green Deals focus on Circular Textiles, Tech talent and sustainable jobs, Timber-based construction, and the development of a Bicycle Metropolis.

The goal of each Regional Green Deal is for the parties involved to work jointly to develop concrete investment propositions or agreements that will create both short-term jobs and long-term economic opportunities that align with the sustainability targets of the city region. Wherever possible, each Deal seeks to reflect and integrate more than one of those targets. For example, the Green Deal on sustainable timber construction is working simultaneously towards socio-economic goals (delivering affordable housing in the city region and creating 1,750-3,700 new jobs in a sustainable sector) and environmental goals (reduction of 220,000 tons CO2/year).

Agreements typically take the form of voluntary arrangements between various public and private stakeholders, resulting in cooperation programmes. Their commitments clearly state the role, resources, and actions that each party will undertake to deliver initiatives. For example, all parties to the "Tech talent and sustainable jobs" deal have agreed to meet the target of re-skilling 10,000 people in tech and green jobs by 2024. Actions and responsibilities identified to work towards this goal include commitments from: education providers to develop flexible teaching programmes focusing on reskilling; companies to invest in green and tech skills development for all their staff; and an agreement from businesses and public authorities to collaborate in finding temporary work opportunities in green tech jobs for staff made redundant by the pandemic.

Each deal is designed flexibly, so that new actions and initiatives can be accommodated when opportunities arise.

# STEP 7 – MONITORING PROGRESS AND PROMOTING RESULTS

## Stage 1 (Step 7A): Building momentum

1. A LGD should be flexible and responsive to new challenges and opportunities. The LGD steering group (set up under Step 2) should undertake **regular and transparent monitoring** to assess progress against objectives and identify areas where city intervention is needed to address challenges.<sup>17</sup>
2. Communication is crucial. On a local level, **promote your vision, progress, and successes**. Share knowledge that is easy to understand in the local community.
3. Throughout the implementation phase, keep **engaging with other cities** that are delivering LGDs to share experiences and good practices. The ICC and ICLEI – Local Governments for Sustainability can organise and facilitate exchange of insights and strategies with other pilot cities and the European Commission.

<sup>17</sup> LGDs monitoring and communication activities can take inspiration from existing templates. See for example the guidance provided to support the SDG Voluntary Local Reviews, the EU Green Capital reporting/application guidelines and GreenCity benchmarking tool or the Nesta toolkit for sharing public data.

## Stage 2 (Step 7B): Scaling up

Based on the new initiatives undertaken under Stage 2 (Step 1B to Step 6B), repeat the Stage 1 (Step 7A) process, aiming to increase the reach of the promotion activities both locally (reaching out to more local stakeholders) and outside the city (showcasing successes at the national and international level).



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## STEP 7 – Monitoring progress and promoting results – Cities in action

# SUSTAINABLE ESPOO: BUILDING ON EXISTING MONITORING SYSTEMS

Espoo has largely aligned the promotion, monitoring and evaluation processes of Sustainable Espoo with its existing sustainability monitoring structures, reporting progress through a *Voluntary Local Review*, under the UN SDGs framework. This helps avoiding duplication of the monitoring efforts or confusion around its communication strategy. Results of Sustainable Espoo are also recorded through a dedicated mid-term review, which will be used internally by the city's management to inform the next 4-year action plan of the Sustainable Espoo programme.



## STEP 7 – Monitoring progress and promoting results – Cities in action

# UMEA CLIMATE CITY CONTRACT: NATIONAL REPORTING AND ANNUAL REVIEWS

Reporting on the City's Climate City Contract is coordinated centrally by Viable Cities, which coordinates Climate City Contracts in 9 Swedish cities on behalf of the Swedish national government. The use of a centralised monitoring approach helps take the burden of monitoring off the city's departments, so that they can focus on implementation. It also helps create greater visibility and accountability for the delivery of initiatives planned under the contract. In particular, monitoring helps the city understand where direct intervention is needed to address an issue impeding progress of the Climate City Contract (for example, by identifying local stakeholder groups who are under-represented in collaboration activities). Based on the monitoring exercise, the Contract will be updated annually to reflect new challenges and opportunities.

# Information sources available for cities

- *European Commission*: A European Green Deal: the European Commission's action plan to make the EU's economy sustainable.
- *European Committee of the Regions*: Green Deal Going Local: An initiative aiming to support the implementation of the EU Green deal in cities and regions.
- *Horizon Europe*: Climate Neutral and Smart Cities Mission Area: A mission area supporting cities in meeting the goals and targets set out by international policy frameworks such as the COP21 Paris Agreement, the UN's Sustainable Development Goals (notably SDG11), the Urban Agenda for the EU and the Habitat III New Urban Agenda.
- *ICLEI Local Green Deal webpage*: Support and contact for cities wanting to pilot Local Green Deals.
- *Urban Agenda for the EU*: Resources supporting a multi-level working methods promoting cooperation between Member States, cities, the European Commission, and other stakeholders to stimulate growth, liveability and innovation in the cities.
- *Intelligent Cities Challenge*: A European Commission initiative supporting 136

cities in achieving intelligent, socially responsible and sustainable growth through advanced technologies.

- *The Basque Declaration*: Outlines new pathways for European Cities and Towns to create productive, sustainable and resilient cities for a liveable and inclusive Europe.
- *The New Leipzig Charter*: The transformative power of cities for the common good.
- *The Mannheim Message*: Local Green Deals for a carbon neutral, sustainable and inclusive Europe.



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# Contact

## THE EUROPEAN COMMISSION'S INTELLIGENT CITIES CHALLENGE



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[www.intelligentcitieschallenge.eu](http://www.intelligentcitieschallenge.eu)



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# Annex

## Case Studies

The European Commission's  
**100** Intelligent Cities  
**Challenge**

An initiative by **EISMEA** and **DG GROW**



# AMSTERDAM METROPOLIS REGIONAL GREEN DEALS

## Background

The *Metropolitan Region Amsterdam (MRA)*, which encompasses the area around the Dutch capital city of Amsterdam, is a governmental cooperation of 32 municipalities, 2 provinces, and 1 transport authority. With 2.5 million inhabitants, it is the largest urban area in the Netherlands. It is also the country's economic centre, providing 1.5 million jobs, and accounting for 20% of the country's GDP. In addition, it is home to some of the country's most strategic infrastructure, including an airport, a seaport, and an internet exchange point.

This concentration of economic activity leads to a strong demand for energy and resources within the area, driving social and environmental pressures. Over the past years, the Metropolitan Area has developed an integrated strategy to deliver a lasting solution to those challenges.

The overall ambition – working to become an international top region with a high quality of life by investing in a future-proof and well-balanced metropolis – has been translated into four administrative tasks:

1. Further strengthen the partnership;
2. Pursue a resilient, inclusive and 'green' MRA economy;
3. Build with housing needs in mind and strengthen the quality of life of the entire region through growth;
4. Accelerate the establishment of the metropolitan mobility system.

A goal has been formulated for each of these tasks, which has been developed into various actions and results. The authorities in the MRA address these jointly and report on the results to their members of the Provincial Councils and City Councils.

In 2020, the COVID-19 crisis significantly impacted the region, costing the local economy 2.3 billion EUR per month and putting over 25% of local jobs at risk. The Metropolitan Region approached this socio-economic shock as an opportunity to rebuild the region on more sustainable foundations. Together with the Amsterdam Economic Board – a triple helix organisation working towards the smart, green, and healthy future of the region – the region developed a [green deal approach](#). Thus contributing to the energy, circular economy, and digital transition.

The Metropolitan Region and the Amsterdam Economic Board know this transition cannot be achieved without the buy-in, involvement, and commitment of its local stakeholders. In 2020, a new approach was launched to facilitate cooperation between local stakeholders and local government on initiatives supporting its strategic targets. This approach consists of setting-up “Regional Green Deals” to structure the collaboration between public and private actors. So far, four Regional Green Deals have been established, focusing on ‘Circular Textiles’, ‘Tech talent and sustainable jobs’, ‘Timber-based construction’ and the development of a ‘Bicycle Metropolis’. Before the COVID-19 crisis, the Amsterdam Economic Board was already working on the Regional Green Deal Zero-Emission Urban Logistics, connected to the national initiative of the same name.

In general, the Amsterdam Economic Board works to lay the ground and create the right ecosystem for creating cooperation between government, business, and knowledge stakeholders.

Their methodology to drive stakeholder involvement is built on [4 steps](#). For specific subjects, a diversity of stakeholders discussed the topics for green deals: where further cooperation and commitments towards 2025 goals would lead to acceleration and impact for the region.

## Structure

The goal of each Regional Green Deal is for the parties involved to work jointly to develop concrete investment propositions or agreements that will create both short-term jobs and long-term economic opportunities aligned with the sustainability targets of the region. Wherever possible, each deal seeks to reflect and integrate more than one of those targets. For example, the Green Deal on sustainable timber construction is working simultaneously towards socio-economic goals (delivering affordable housing in the city region and creating 1,750–3,700 new jobs in a sustainable sector) and environmental goals (reduction of 220,000 tons CO2/year).

Agreements typically take the form of voluntary arrangements in a cooperation programme between various public and private stakeholders. The agreements clearly state the role, resources, and actions that each party will undertake to deliver initiatives. For example, all parties to the ‘Tech talent and sustainable jobs’ deal have agreed to meet the target of re-skilling 10,000 people in tech and green jobs by 2024. Actions and responsibilities identified to work towards this goal include a commitment from education providers to develop flexible teaching programmes focusing on reskilling, a commitment from companies to invest in green and tech skills development for all their staff, and an agreement from businesses and public authorities to collaborate in finding temporary work opportunities in green tech jobs for staff made redundant by the COVID-19 pandemic.

Each deal is designed to be flexible, so that additional actions and initiatives can be integrated over time.

## Governance and management

The implementation of the Regional Green Deals is governed by the MRA, and by the Amsterdam Economic Board. The Amsterdam Economic Board is an institution

created to streamline the working relationships between the private sector, knowledge institutes, and government organisations to achieve the goals of the metropolitan region. The Board is chaired by the Mayor of Amsterdam, and its members include C-level representatives of businesses and knowledge institutions, and politicians from the region. Its diverse membership affords the Green Deals both strong political leverage, and support from influential regional stakeholders.

On a day-to-day basis, each of the deals are managed independently, with its own governance structure, action plan, budget, and public engagement activities. However, staff members working on each deal regularly exchange on best practice and challenges that they face, as well as on opportunities for collaboration between the different deals. A Green Deal Steering Committee oversees the activities of all the green deal programmes and helps to activate the network, and discuss and overcome obstacles when necessary.

## Stakeholder involvement

The Regional Green Deal approach is rooted in public-private cooperation. MRA guarantees strong government involvement, while the Amsterdam Economic Board acts as a key facilitator to identify, coordinate, and support the involvement of stakeholders into the Regional Green Deals. Their methodology to drive stakeholder involvement is built on 4 steps: recruitment of interested stakeholders, identification of collaboration opportunities, facilitation of exchanges, and advisory support through data-driven insights.

Currently, the engagement activities of the Amsterdam Economic Board focus mainly on the business community, government parties, universities and research institutes, following a [Triple Helix](#) model. The Amsterdam Economic Board can however count on a strong culture of sustainability activism across the wider civil society. For example, the Board helped initiate the [Amsterdam Doughnut Coalition](#), an initiative that brings together local businesses, social enterprises, NGOs, and citizens to deliver

sustainable actions within the Municipality of Amsterdam. Amsterdam Smart City, TechConnect, and House of Skills are programmes organised under the Amsterdam Economic Board, working on cooperation for a smarter and greener city by open innovation, tech talent, and talent for the green transition. Where possible, those existing actions will be integrated within the Regional Green Deals.

## Funding

Core funding for managing the Regional Green Deals mainly comes from the budget of the region and from the Amsterdam Economic Board, which originates both from local government sources and from the membership fees paid by private sector representatives who sit on the board.

Funding for initiatives taking place under each of the deals largely originates from the local stakeholders involved. The region is however exploring additional funding opportunities to support new initiatives and innovative action. Sources considered include EU structural funds, RRF, and other national funding.

## EU and national links

Whilst the Regional Green Deals do not explicitly reference the EU Green Deal, the topics covered align strongly with its goals. Consequently, the region and the Amsterdam Economic Board will be exploring opportunities to secure funding opportunities arising from the EU Green Deal to support its approach.

MRA's Regional Green Deals approach is partly inspired by the Dutch Government's national Green Deals initiative. Between 2011 and 2014, the [National Green Deals](#) brought together 1,090 participants from companies, local stakeholder organisations, and local and regional government to work with the national Government on green growth, and social issues covering 176 topic areas. Combined with the triple helix way of working towards a smart, green, and healthy future for the region, which

has been practiced by the Board since 2010, this has provided a good basis for cooperation between local stakeholders of the MRA, local government, and national institutions.

## Technologies

The idea that the green and digital (or Twin Transition) are mutually connected is widespread in the region. That is not only visible in the use of platforms for cooperation, such as [amsterdamsmartcity.com](https://amsterdamsmartcity.com), but on a deeper level in various activities. The Amsterdam region sees the value in connecting digital data tools to create for example, circular textile value chains, data for 'materials passports' in the construction sector, connected to the related green deals. And the effect is also seen in the [LEAP programme](#) for the regional datacenter value chain: while the amount of data will continue to rise in the coming decades, the programme supports innovation in data energy efficiency and circular digital hardware.

## Monitoring

The progress of each Regional Green Deal towards its 2025 targets will be monitored regularly by the Green Deal Steering Committee.

## Success factors:

- The urgency of the twin transition (green and digital) is widespread. The Amsterdam Economic Board has been working for over a decade on building relationships between public authorities, the knowledge sector, and private stakeholders to promote sustainable growth. This pre-existing network was key in enabling the Board to rapidly identify and gain the commitment of key local stakeholders to each Regional Green Deal;
- The development of the Regional Green Deal approach benefited from the template provided by the Dutch National Green Deals, the momentum of the

European Green Deal, and the COVID-19 crisis. The ability to use an existing evidence base and gain inspiration from this experience helped the MRA rapidly define an action plan for its Regional Green Deals;

- Driving a Green Deals approach at the regional level is based on strong commitment and cooperation from each municipality within the Metropolitan Region, in collaboration with stakeholders from the knowledge institutes and the business sector.

## Key challenges

- Throughout 2021, political instability in the Dutch national government has led to delays in the development of plans for the EU RRF. Securing budget to support the Regional Green Deals and create additional deals is challenging;
- The Regional Green Deals are currently restricted to topics where a strong drive from local stakeholders to promote sustainable transformation already exists, and defining actions under a Green Deal would help create momentum to reach shared goals. Meanwhile, the Amsterdam Economic Board, together with regional governments, is currently working on over [ten initiatives](#) and [three programmes](#) contributing to the green and digital transitions. These activities are all related to the new Regional Green Deals, either directly (for example, circular textile, talent programmes) or indirectly (for example, LEAP or data).
- It is acknowledged that the preparation phase for LGD requires an investment in time and efforts, and a neutral intermediary party is often a success factor to establish effective public-private cooperation. MRA has however experienced difficulties in finding funding for this critical stage, which is slowing down implementation of the whole process.



# SUSTAINABLE ESPOO

## Background

With 290,000 inhabitants, Espoo is the second largest and fastest growing city in Finland. Espoo is part of the Helsinki Metropolitan area, and is home to leading RDI institutions, as well as many of Finland's most well-known high-tech companies, such as Nokia, Kone, and Neste. Over the past decades, strong political support for sustainable development has promoted a culture of sustainability and sustainable entrepreneurship across the city, in line with the United Nation's SDGs.

Sustainable development is an integral part of the city's strategy, the Espoo Story. Espoo story was written in 2013 in collaboration with the residents of Espoo, city personnel, and decision-makers. The Espoo Story seeks to build economically, ecologically, socially, and culturally sustainable transformation in the city, guiding the city's operations towards common goals. All sectors and units of the city derive their own stories and goals from the Espoo Story and its common objectives. It is also backed up by four interconnected, cross-administrative development programmes: Sustainable Espoo, Participatory Espoo; Inspiring, dynamic Espoo; and Healthy Espoo.

## Structure

Under the overarching goal of coordinating private and public actions to support the Espoo Story, each of the four development programmes are responsible for developing and implementing 4-year action plans, setting out the actions envisaged to support the Espoo Story across the city. The objectives for the current term (2017-2021) include

1. Building and developing Espoo using smart solutions;
2. Streamlining and diversifying the transport modes used by Espoo residents;
3. Emission-free energy production and smart energy solutions;

4. Responsibilities for Espoo residents in relation to sustainability goals;
5. Increasing the nature, benefits, and recreational opportunities of the local environment.

The action plan is designed to be flexible, so that new initiatives supporting those objectives can be added to the programme and supported by the Sustainable Espoo team as they arise.

### Governance and management

The Sustainable Espoo Programme has a steering group that is composed of senior officials from all city sectors, including the Mayor, and elected officials representing different political groups. The steering group is responsible for defining and following the programme action points and spreading them across the organisation for implementation. In addition, a rapidly growing sustainability team has been appointed to carry out innovative projects together with external partners and companies and to coordinate the advancement towards the city's objectives. The team also works closely with other departments, with the aim of ensuring sustainability informs all the city's actions. For example, cooperation with the Participatory Espoo development programme and with members of the Education and Cultural Services helps promote cultural change across the city. Sustainability targets are shared by different sectors in the city. For example the city's Premises Department, which is responsible for the administration of over 400 city-owned buildings, has achieved carbon neutrality of the electricity supply of these buildings.

### Stakeholder involvement

- The Sustainable Espoo team places a strong focus on cooperating with local businesses who are keen on leading sustainability actions. It has developed working relationships with close to one hundred local businesses. Cooperation methods include providing advice to businesses wanting to align with the city's sustainability goals, joint working on standalone initiatives (for example, co-developing new circular and low-carbon city solutions at Kera – a former industrial area), and strategic partnerships with companies headquartered in Espoo (for example, digital

technologies partnership with Nokia, and developing carbon free district heating with local energy provider, Fortum);

- In order to reach out to citizens, the city focuses on leveraging the influence of public service providers such as teachers and social workers. Those intermediaries act as key champions of Espoo's sustainability goals among local communities.

### Funding

- Part of the Sustainable Espoo work is funded directly through the City's budget. This is facilitated by the national regulatory framework which allows the City to levy taxes, and by the fact that the local median taxable income of residents is among the highest of all Finnish cities. Sustainable development is seen as a strategic priority, and an investment for the future;
- The City is also constantly looking for EU and national funding to support exploratory and innovative projects supporting its sustainability goals. For example, a Nokia-led group of local companies received a 26 million EUR contribution from the Finnish Government's innovation funding to unlock the potential of industrial 5G networks in increasing safety, sustainability, and efficiency;
- Public funding is mostly used to kick-start private investment into sustainable initiatives. Public investment focuses on lowering the risks and barriers that businesses face for sustainable innovation. For example, part of the business case for the City's investment in a sustainable metro system was that the project should attract up to ten times more private investment in the city than the project's original costs.

### EU and national links

Espoo has committed itself to global and European sustainability goals by signing the Global Covenant of Mayors in 2016, joining the SDG Cities Leadership Programme in 2017, and subscribing to the European Circular Cities Declaration in 2020.

At a local level, Espoo actively contributes to regional and national sustainability policy, participating in several steering groups, or, for example, taking an active part in the design of Finland's COVID-19 recovery plan.

Espoo's Sustainability team closely follows the development of the European Green Deal policies and will take them into account when designing the content of the recently approved continuation for the Sustainable Espoo programme for 2021-2025.

## Technologies

- Sustainable Espoo actively supports the development of sustainable technologies. Its approach is rooted in cooperation with local businesses. Technological innovation is supported through channels including direct public procurement and funding (for example, a pilot on self-driving public transport buses with a local company), regulation, planning, and project management support, research projects (for example, EU Horizon 2020 funded SPARCS project developing energy positive districts), promotional activities (such as expressing public support for companies which pioneer circular business practices), and partnerships (for example, co-investing and developing a carbon-neutral heat district with a local company);
- Espoo is embedding its sustainability goals within its management software, by, for example, including SDG-related guidelines in its procurement tool. This digitised process will allow for the SDGs to be more systematically considered at different stages of decision-making.

## Monitoring

The progress of the Sustainable Espoo programme is regularly reviewed by the Sustainable Espoo steering group, which is comprised of both political and operational representatives. The group meets every 3-4 weeks and makes the meeting minutes publicly available on the Espoo website. Mid-term and final reports are submitted to city council to evaluate and document progress towards agreed targets.

In 2020, Espoo prepared a Voluntary Local Review (VLR) to report on the city's sustainability work under the UN SDGs framework. The report was prepared in cooperation with close to a thousand people, representing the city organisation, citizens, and different stakeholders.

## Success factors

- Sustainable Espoo builds on decades of strong political commitment for sustainability. This has helped the city develop a strong vision, brand, and reputation for sustainability, allowing it to attract and inspire employees, residents, companies, and investors who are willing to support its sustainability goals;
- Sustainable Espoo excels in capitalising on the city's rich ecosystem of businesses and research institutes. A culture of delivering added value to local stakeholders investing in sustainability has been key to driving private initiatives that align with the city's goals.

## Key challenges

- Sustainability goals are integrated in the city strategy, ensuring that social, cultural, ecological, and economic sustainability is mainstreamed in all decision-making, investment, and services of the city remains a work in progress;
- Promoting widespread commitment from citizens is also a long-term challenge. For example, private car ownership rates remain high, which is a key issue for the city's carbon neutrality goals. Espoo aims to address this through a long-term approach, combining collaboration with local companies, through for example, shared mobility, and investment in initiatives that facilitate sustainable lifestyles in the city. For example investment in public transport and biking infrastructure and services, and focusing on urban planning policies based on providing all daily services in five city centres thus reducing the need to move around.



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# MANNHEIM LOCAL GREEN DEAL

## Background

Mannheim is one of the largest cities in southwest Germany, home to 310,000 inhabitants. The city was once an industrial hub, but has, over the last decades, sought to use ambitious sustainability action to shape its reinvention.

By integrating the UN SDGs throughout its policy framework, and through joining international networks that support sustainable urban development, Mannheim has acquired significant experience in the development of sustainability initiatives. The City has, however, come to realise that isolated actions from across its departments will not be sufficient to transform its entire socio-economic model. Consequently, it has used the launch of the EU Green Deal as a strategic opportunity to re-shape its approach to delivering sustainability policy. Its goal is to drive deep structural change by building bridges between sectoral priorities, leveraging action from local stakeholders, and exchanging with other cities to develop more effective ways of working.

In October 2020, Mannheim formalised this commitment by authoring and launching the [Mannheim Message](#), which sets out its vision for developing a LGD approach. This vision, which was developed in the context of the city's own [sustainable development conference](#), is rooted in a spirit of international collaboration. Other cities wishing to develop a LGD on a similar basis are welcome to endorse the Mannheim Message.

## Structure

The basis for the Mannheim LGD consists of three key aspects: a vision (the Mannheim Message); the existing local, national, and European policy framework; and an analysis of local stakeholders and their willingness to get involved. The city is currently building on this baseline framework to develop an action plan for LGDs. This action plan will include key targets and identify the initiatives, stakeholders, funding opportunities, and timescales which will be implemented to achieve them. Its aim is to launch its action plan at [COP 26 in Glasgow \(United Kingdom\)](#), in November 2021. The LGD Action Plan will also benefit from a flexible structure, so that it can integrate new opportunities emerging from city departments or local stakeholders on a rolling basis.

## Governance and management

The city's LGD work is supported by both the City Mayor, and the Deputy Mayor for Environment and Climate. The City Mayor is frequently seen presenting the Mannheim LGD vision at European events, helping to build visibility and commitment around this work.

In order to manage the initiative on a day-to-day basis, the City has created a new LGD team, which currently employs three full-time members of staff. Now that it has developed the initial vision for the initiative (the Mannheim Message), the team's work centers on engaging with their colleagues across the entire administration. The goal is to obtain widespread buy-in for the LGD, so that the upcoming action plan can integrate initiatives emerging from all of the city's departments.

It is anticipated that each initiative set out in the future action plan will follow its own internal governance structure, funding, and timescales. However, the core LGD team will facilitate knowledge exchange and will create synergies between initiatives. Starting in Summer 2021, a new staff member will join the team to

support this process. Their role will be to manage peer-to-peer learning processes between departments, local stakeholders, and other cities developing LGDs.

## Stakeholder involvement

Cooperation between the City and local stakeholders will be a core principle of the Mannheim LGD. The LGDs team is currently encouraging other City departments to engage with businesses, citizens, social economy actors, and local institutions who could help shape initiatives under its upcoming action plan.

Mannheim's vision for stakeholder involvement however goes beyond the participation of local citizens or organisations into standalone initiatives. The City believes that in order to facilitate comprehensive cultural change towards sustainable lifestyles, some of the fundamental structures of society need to be reformed. Through its LGD process, the City will therefore be looking at regulatory reforms, which would support a shift towards sustainable lifestyles. Measures considered include the adoption of a guaranteed living income, fiscal incentives to promote sustainable lifestyle choices, reforms to shift the burden of taxation away from labour towards natural resource use and pollution, and incentives to promote the use of resources as a service rather than individual ownership.

## Funding

The work of the LGDs team is currently largely funded through the City's core budget. National government support has also been secured to fund an additional full-time position to support the team. In order to deliver initiatives under its LGD action plan, the City will pool funding from different sources. This will include redirecting some of its departments' budget towards such initiatives, applying for EU funding to kick-start cooperation and support innovation, and helping local stakeholders develop viable business models for sustainable actions, ensuring that those can be privately funded in the long-run. The City has already submitted a proposal to

a Horizon 2020 call, which would provide funding to support the co-creation of LGD initiatives between the City and local stakeholders

## EU and national links

The City's LGDs will be fully inspired by the EU Green Deal. It will notably identify actions and initiatives covering each of the EU Green Deal policy areas, integrating them wherever possible. Thanks to a new staff member focusing on peer-to-peer learning, the LGD team intends to develop strong connections with other EU and German cities, aiming to exchange knowledge and apply jointly for funding opportunities. In line with the Mannheim Message, the City will also engage with the German national government to discuss regulatory reforms which would support the structural change necessary to achieve a sustainable transition.

## Technologies

The adoption of new technologies is identified in the Mannheim Message as a key lever to promote sustainable transformation. The City is notably exploring opportunities to adopt digital solutions to support better planning, decision-making, management and monitoring of its LGD.

## Monitoring

The progress of the LGD will be regularly assessed against set targets.

## Success factors

- Mannheim has developed strong connections with other cities and international networks specialising in sustainable development. This network provides it with valuable support for its LGD, including peer-to-peer learning, strategic advice and opportunities to apply for joint funding;

- The City can build on a strong culture of sustainable activism within its local communities. Citizens are generally environmentally-aware, and the social economy sector is very developed. The City administration has clearly contributed to the development of this culture over the years through supportive actions. In 2021, it is for example co-organising the [EU Social Economy Summit](#), which will help showcase the work of its own social entrepreneurs.

## Key challenges

Most of the City's departments have a strong track record of engaging with local stakeholders on specific sectoral topics. A key challenge, however, for its LGDs is to encourage communication between City departments and local stakeholders who do not traditionally engage with each other, to ensure that potential synergies between different LGD actions are fully exploited.



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# UMEA CLIMATE CITY CONTRACT

## Background

Home to 130,000 inhabitants, Umea is the largest city in northern Sweden. The city has set itself ambitious sustainability goals in order to meet the Paris agreement, and become climate-neutral as a city by 2030, and as a municipality by 2040.

Over the years, the City has developed a policy framework and local governance in order to help it achieve those goals. It has also explicitly linked those climate objectives to social justice, and economic resilience goals, leading to an integrated local sustainability framework. Its strong performance in line with those goals led to Umea being named European Capital of Culture in 2014, to them being nominated three times for the European Green Capital award, and to them being a European Capital of Innovation runner-up.

Thanks to its strong vision, the City was approached in 2017 by the Swedish Government to join the national strategic innovation programme Viable Cities – a national initiative aiming to accelerate the sustainable transition. In 2019, nine of the country's largest cities joined the Climate neutral cities 2030 project. This inspired Umea to sign the Swedish Climate City Contract in late 2020.

## Structure

The national Climate City Contract is a written agreement between the City and four government agencies. It sets out the targets, roadmap, and obligations the city needs to meet in order to reach its climate goals by 2030, as well as the

support that the national government commits to giving the city for implementing this vision. The targets and actions set out in the contract relate mostly to areas where central coordination, regulation, and funding are valuable to unlock the city's goals: for example, setting-up a long-term sustainable investment framework for the city, or developing digital tools to support the climate and energy transition.

At a local level, the Climate City Contract is supported by the existing local policy framework. A local action plan for implementing the contract is also under preparation. This document will identify key initiatives needed to deliver the city's obligation in partnership with key local stakeholders. This action plan will be flexible, and updated every year to reflect new opportunities.

## Governance and management

The Swedish National Government sets targets and provides centralised leadership to guide the development of Climate City Contracts in the nine cities that are part of the programme. It does so through the Viable Cities programme, a strategic innovation programme<sup>18</sup> driven by the *Swedish Innovation Agency*, the *Swedish Energy Agency*, the *Swedish Agency for Economic and Regional Growth*, and the *Swedish government research council for sustainable development*. Viable Cities provides the participating cities with a centralised governance framework, strategic direction, methodological support, and collaboration opportunities to implement their own Climate City Contract.

At the city level, the Mayor of Umeå, and the Chair of the Municipal Board (as lead signatory) both provide the strategic leadership and political commitment for implementing the Climate City Contract.

The day-to-day management structure for the implementation of the Climate City Contract is highly decentralised: responsibility for implementing actions supporting

its targets are spread across all of the city's departments. Staff currently driving initiatives under the Climate City Contract include urban planning, circular economy specialists, and procurement specialists, and climate change experts.

## Stakeholder involvement

The Climate City Contract follows a quadruple helix structure. Whilst the municipality is the main party to the contract made with the national government, its action plan will clearly identify opportunities to engage citizens, businesses, and local institutions in the delivery of the contract.

Umea is working with an established culture of business engagement: the city has strong relationships with over 50 local business networks, and it intends to leverage those links to support its Climate City Contract action plan. In the second half of 2021, it will also be launching a promotional campaign to get more businesses, and citizens on board.

## Funding

Core funding for the Climate City Contract comes largely from the Swedish National Government. Several of the City's departments are also using some of their own budget to develop initiatives supporting the Climate City Contract. Additionally, the Viable Cities team is also building up capacity to support cities like Umea with support for bidding for EU funding to support innovative action. The City has for example applied for funding under a Horizon 2020 call, which would support the co-creation of LGD initiatives between the City and local stakeholders.

In addition, the City has several public-owned companies that support crucial infrastructure for the city. For example, the energy company, water and waste company, and a housing company. These publicly owned utilities companies are

<sup>18</sup> more cities will join the programme in 2021, so that 20 cities in total will be supported up to 2024.

investing heavily into supporting a circular economy transition, thereby supporting the City's goals.

Finally, the City is developing a climate change investment plan. The plan should support its climate goals to 2030, both guiding the City in its investment decisions and supporting the local business community by highlighting business opportunities in sustainable sectors.

## EU and national links

The Umea Climate City Contract is fully in line with the Swedish national Climate City Contract framework. The framework is explicitly aligned with the UN SDGs and the Paris Agreement. Discussions are currently taking place to define a strategy for linking it with the EU Green Deal. The Swedish climate city contracts are also in line with the suggested Climate Cities Contracts proposed by the EU Mission board for Climate Neutral and Smart cities.

Umea is acting proactively to exchange knowledge and best practice for the implementation of its Climate City Contract with other cities. It is notably engaging with cities such as Lille (France) and Leuven (Belgium) to discuss opportunities to replicate the Climate City Contract organisational structure outside of the Swedish context.

## Technologies

The City has developed several online platforms to openly share data on its progress towards its Climate City Contract goals. It is now looking to develop digital tools to allow stakeholders to feedback and engage directly with the city administration on this topic.

## Monitoring

Reporting on the City's Climate City Contract is coordinated centrally by Viable Cities, on behalf of the Swedish national government. The Contract will be updated annually to reflect any challenges and opportunities identified through the review exercise.

## Success factors

- The centralised approach of the Swedish Government in coordinating the delivery of Climate City Contracts is key in supporting effective implementation at the city level. National political leadership, funding, guidance, templates, and direct collaboration opportunities allows Umea to work efficiently. Not having to spend extensive resources on setting-up governance and project management structures means that it can focus its efforts directly on actions supporting its Climate City Contract;
- The City administration's flat hierarchical system has been critical in empowering all staff to take initiatives to support the implementation of its sustainability goals. This has been key in promoting innovation and identifying new collaboration opportunities.

## Key challenges

A key issue will be to include a wider range of local stakeholders in the Climate City Contract discussions. Getting people, who have traditionally not reflected or worked with sustainable development, on board remains challenging.



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# MILAN'S AIR AND CLIMATE PLAN

## Background

Milan is a city in northern Italy, and the capital of the Lombardy region. Home to approximately 1.4 million inhabitants, Milan is the second-most populous city in Italy, and is also the country's industrial and financial heart. The City is actively promoting sustainable urban development over a range of policy areas, including sustainable mobility, energy efficiency, sharing economy and smart cities. In addition, in December 2020, the City council adopted, an *Air and Climate Plan*, which addresses adaptation to climate change, mitigation, and air quality improvement.

## Structure

The Air and Climate Plan is a strategic, transversal instrument that directs the planning already envisaged by the City Administration towards common objectives, such as the reduction of GHG emissions, the improvement of air quality, adaptation to climate change, social equity, and health protection. For this purpose, the plan identifies specific actions, which integrate and consolidate other existing city plans.

The Plan consists of 25 targets and 49 actions across five main objectives:

1. Slow Milan: a city that moves in a fluid, flexible and sustainable way;
2. Positive energy Milan: better and lower use of energy;
3. Cool Milan: a city that cools down;

4. Inclusive Milan: a healthier, safer and fairer city;

5. Informed citizens: shared aims.

Specific actions to reach the above mentioned objectives are set for the short-, medium-, and long-term (2025-2030-2050).

## Governance and management

The Air and Climate Plan is fully supported by the Mayor of Milan. By addressing adaptation to climate change, mitigation, and air quality, the Plan requires the coordination of three different city departments, namely: the Resilient Cities Department, the Energy and Climate Area, and the Agency for Mobility, Environment and Territory (AMAT). The development and actuation of the Plan is being led by the Director of Environmental Transition.

The City Administration has been actively involved in the field of climate adaptation and mitigation, and improvement of air quality, and has joined other international initiatives and networks, which support these actions, such as the C40 Cities Network, the Compact of Mayors, and the Covenant of Mayors.

## Stakeholder involvement

The City of Milan benefits from active collaboration with local stakeholders, notably those owned and controlled by the city, such as utilities, and transport companies. In addition, the City is developing new business models for cooperating with the private sector on sustainable initiatives: it is for example using a model that includes co-creation, financial support, public procurement, and regulatory incentives to encourage businesses, individuals, and landowners to build green roofs across the entire city.<sup>19</sup>

<sup>19</sup> <https://clevercities.eu/milan/>

Milan has also set up a new Climate General Assembly, based on the non-elective French model, which gathers together community members from the city. The Assembly is currently reviewing the Climate Action Plan. Furthermore, every department in the City has a participatory budget from the administration to be used to collect ideas and projects from the citizens. Most of these focus on greening the city.

The involvement and participation of citizens is a key strength in the city, ensuring current needs are understood, and to better determine the priorities for intervention. A public consultation process for the Air and Climate Plan was launched in January 2021 to enable citizens to propose modifications or further integrations in the Plan.

## Funding

The transversal nature of the Plan implies that funding will be made available through other existing planning instruments of the City's Administration, which feed into the Plan's objectives. However, the implementation of the Plan requires additional funding. For instance, a loan of 200 million EUR was received from the EIB for the implementation of the Plan. The City also uses structural funds – Horizon 2020, Horizon Europe, and LIFE projects – to boost innovation, amounting to approximately 60 million EUR per year.

Milan is currently considering the adoption of a *Milan Transition Fund*. An innovative financing mechanism to support the spending commitment for the implementation of technical and technological solutions for urban regeneration, aimed at achieving decarbonisation and zero-energy consumption.

Lastly, the City has also launched a civic crowdfunding programme.

## Monitoring

Monitoring is a fundamental component of the Plan as it allows the status of implementation of the actions and of the objectives to be defined, as well as eventual

corrective measures which need to be put in place. The monitoring programme of the Plan will be elaborated and coordinated by the Climate and Energy Department of the Municipality's Environmental Transition Direction together with the Resilient Cities Department. It will monitor the following: the status of advancement of the Plan; the efficacy of the single measures; the overall efficacy of the measures; the costs and financial resources; a performance indicator against inclusivity and equity.

## Success factors

- The integrated nature of the Air and Climate Plan allows for synergistic interventions which can benefit all the addressed themes, avoiding the implementation of actions which may have negative side-effects on the environment;
- The model of sustainable development promoted in the Plan is fully aligned with that proposed to address the economic and social impacts of the COVID-19 crisis in the city's *Adaptation Strategy 2020*.

## Main challenges

- The Air and Climate Plan addresses multidimensional themes which requires a stronger internal coordination, and goes beyond the traditional sectorial coordination;
- The themes of the Plan extend beyond the borders of the Municipality, which imply that multilevel governance is needed to interact also with national and regional planning.



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