



Climate-neutral and smart cities

100 Climate-neutral Cities by 2030 – by and for the Citizens

WHY A MISSION ON CLIMATE-NEUTRAL CITIES?

Mitigating climate change at a global scale is a huge challenge and the time for the necessary societal transformation is short. Cities cover about 3% of the land on Earth, yet they produce about 72% of all global greenhouse gas emissions. On top of that, cities are growing fast; in Europe, it is estimated that by 2050 almost 85% of Europeans will be living in cities. Therefore, the **climate emergency** must be tackled by cities – and by citizens.

MISSION | 100 climate-neutral cities by 2030 – by and for the citizens

After consultations with citizens across many European cities, the Mission Board proposes the following mission: “100 climate neutral cities by 2030 - by and for the citizens”. Its aim is to **support, promote and showcase 100 European cities in their systemic transformation to climate neutrality by 2030**, making these cities innovation hubs for all cities. The Mission is much more than a traditional R&I programme. It is a challenging and ambitious endeavour where cities commit to transformation and engage in it for the benefit of Europe’s quality of life and sustainability.

MISSION PORTFOLIO

A new model of city governance

The main obstacle to climate transition is not a lack of climate-friendly and smart technologies, but the capacity to implement them. The present silo-based form of governance, designed and developed for traditional city operations and services, cannot drive an ambitious climate transition. Therefore, **a systemic transformation is urgent**, accompanied by a more **strategic, holistic and long-term climate investment approach**, together with a **new city governance for climate action**. The transformation will be based on three principles: (1) a holistic approach to foster innovation and deployment, (2) a matrix of integrated and multi-level governance, and (3) a deep and continuous collaboration between all stakeholders. This model requires a strong commitment from cities and their political leadership to innovate the administration and to bring all stakeholders, business, academia and civil society on board.

A new role for the citizens

Pivotal for the mission’s success is the **involvement of citizens** in their different roles as **political actors, users, producers, consumers or owners of buildings and transport means**. In the consultations with the Board, citizens have given priority to mobility, energy, urban infrastructures/buildings, circular economy and behavioural change.

A Climate City Contract as a new delivery mechanism

Designing The Mission Board proposes to introduce a **Climate City Contract as a new mechanism to deliver EU support to cities in the form of more innovation, better regulation, and integrated financing**. It will be signed by the **Mayor on behalf of the local government and local stakeholders, by the Commission, and by national or regional authorities**. A precondition for a Climate City Contract is that citizens are given a new active role, new platforms to act and better resources to play their role. At least 1% of the funding granted by the EU to cities through a Climate City Contract should be devoted to support citizens and their platforms for the development and implementation of climate actions.

A new role for innovation, experimentation and learning

The 100 cities signing the Climate City Contracts will develop and implement a new innovation concept: **system innovation in governance, transport, energy, construction and recycling, supported by powerful digital technologies** (i.e. system innovation in the whole value chain of city investment). These cities will spearhead the leveraging of the synergies of Europe's twin green and digital transformations. They will also work together to address common challenges and create economies of scale. In the process, they will serve as Innovation Hubs for other cities, meaning that hundreds of European cities will be inspired by, learn from and replicate the ideas and solutions emerging from the Mission.

A new form of funding and financing

To make the most of the European Green Deal, the Multiannual Financial Framework (MFF) and the EU Recovery and Resilience Facility, all investments should have a multiplying effect on the economy as well as a transformative effect towards climate sustainability. Investment in city climate transition does fulfil both these two conditions. The Mission Board suggests a **new integrated form of funding and financing for city climate investment plans**:

- a Lending & Blending Facility for Climate Cities as -a financial umbrella: in cooperation between the EU Commission, the EIB and national climate funding and financing facilities, and with resources for R&I as a core element;
- the Commission and Member States make the funding of Climate City Contracts an overall priority of the investment strategy of the new Recovery and Resilience Fund;
- up to 10% of resources for climate action under the next EU MFF to be allocated to climate actions geared towards the objectives of the Climate Cities Mission;
- Structural and Investment Funds' operational programmes 2021-2027 should earmark projects to fund the Mission;
- a one-stop-shop in the form of decentralized negotiation platform run by the EIB offices in Member States;
- a "mission label" awarded to every mission city, to allow preferential access to technical support and financial instruments;
- green budgeting as a tool to benchmark climate investments against their targets and to align public finances with environmental objectives.

Climate cities as new drivers for sustainable growth – and export

By taking the lead in the urban transition to climate neutrality, Europe will strengthen its role as a global driver of sustainable growth, creating new investment opportunities and new and better jobs. The Mission Board suggests to set up of a **Global Knowledge Centre on Cities and Climate** that could facilitate and create synergies between European and international climate initiatives and stakeholders.

The selection of cities

The main criteria will be ambition, commitment, capacity and citizens' involvement. In addition, inclusiveness will be an overarching principle, taking into account a balanced geographical representation as well as differences in the preparedness levels of cities. The application process will include three steps: (a) the **co-creation of the application**, (b) the **co-creation of the Climate City Contract** and (c) the **implementation of the Contract**. Reporting, monitoring and evaluation will be based on the methodology of the Covenant of Mayors, already used by many European cities.