

# Climate City Contract 2030

Between the City of Gothenburg, the Swedish Energy Agency, Vinnova, Formas, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration, the Swedish Environmental Protection Agency and Viable Cities.

**VERSION 2023**



# Climate City Contract 2030

## Contents

<b>Climate City Contract 2030</b> .....	<b>4</b>
<b>1. Purpose of the Climate City Contract 2030</b> .....	<b>5</b>
<b>2. Parties</b> .....	<b>5</b>
<b>3. Municipal commitments</b> .....	<b>5</b>
3.1. Municipal climate goals.....	5
3.2. Strategy.....	6
3.3. Organisation and management.....	7
3.4. Collaboration with the business sector, civil society, the academic community and citizens.....	8
3.5. Climate investment plan.....	9
3.6. Digital support for implementation.....	9
3.7. Innovation hub for climate neutral municipalities.....	10
3.8. Climate change adaptation.....	10
3.9. Climate smart mobility.....	10
3.10. Reporting and monitoring.....	10
<b>4. Viable Cities' commitments</b> .....	<b>11</b>
4.1. Coordination of Climate City Contract 2030.....	11
4.2. Smart policy development.....	12
4.3. Innovation.....	12
4.4. Coordinated funding.....	12
4.5. Interaction with the EU's Climate Neutral Cities mission.....	13
<b>5. The agencies' commitments</b> .....	<b>13</b>
5.1. Smart policy development.....	14
5.2. Funding for research, innovation and development.....	14



5.3. Coordinated funding.....	14
5.4. Participation in European sustainable cities initiatives.....	15
<b>6. Strategic development projects for 2024.....</b>	<b>16</b>
6.1. Governance.....	16
6.2. Climate investment plans.....	17
6.3. Competitiveness through transition.....	18
6.4. Citizen engagement.....	19
6.5. System demonstrators.....	19
6.6. Climate Neutral Cities 2030 mission on an international level.....	20
<b>7. Joint efforts on monitoring, evaluation and updating.....</b>	<b>21</b>
7.1. Key updates for the municipality.....	21
7.2. Most urgent experiences for the municipality to share.....	21
7.3. Key updates for Viable Cities.....	22
7.4. Key updates for the government agencies.....	24
<b>9. The contract.....</b>	<b>26</b>
<b>Climate City Contract 2030.....</b>	<b>27</b>
<b>Appendix 1 - Links to documents.....</b>	<b>28</b>



## Climate City Contract 2030

Major changes are needed throughout society in order to meet climate goals and save our planet. Doing things the way we have always done them is no longer possible, we have to work in entirely new ways. Together, we are building a movement involving many societal stakeholders in order to achieve our mission: Climate neutral cities by 2030, offering a good life for all within the boundaries of our planet.

Climate City Contract 2030 is a tool that will help us to achieve this. This is a long-term commitment ensuring a developed cooperation between cities and the government level. The starting point for the work is that an increasing number of Swedish municipalities and communities are bringing together a wide range of stakeholders and mobilising at many levels – locally, regionally, nationally and internationally – to pave the way for a faster transition to climate neutrality and sustainability in Sweden, Europe and the world. The cities and agencies working on Climate City Contract 2030 with Viable Cities are pioneers, and thus their ambition is to pave the way for a broader transition involving many more people.

Climate City Contract 2030 is a tool for collaboration in respect of governance and is used to work together beyond the direct control of stakeholders in order to realise a common goal, and it represents a systemic shift towards a holistic approach in public administration

Climate City Contract 2030 provides a context as a catalyst for new, innovative forms of cooperation between cities, the business sector, the academic community, research institutes and civil society. This strengthens the conditions for mobilising and driving joint development in a present and a society that are becoming increasingly complex. Climate City Contract 2030 meets a need for developed governance, a governance process (mobilising on multiple levels) for the climate transition. Climate City Contract 2030 is a way of working to enable stakeholders at different levels of governance to go beyond what they are directly able to control as individual stakeholders in order to realise goals and missions that involve systemic shifts. In particular, it involves moving from piecemeal operations to a holistic approach.

Together, we are building capacity step by step so that we can speed up the transition.



# 1. Purpose of the Climate City Contract 2030

The purpose of this Climate City Contract is to accelerate the climate transition in cities within the framework of the 2030 Agenda while also contributing to the continued recovery and evolution of the Swedish economy at a time shaped by a number of several interlinked crises.

The Climate City Contract expresses the parties' intention to raise the level of ambition in the field of sustainable urban development and climate transition. The Climate City Contract also places Sweden and Swedish cities in a favourable position to act as international pioneers in the urban climate transition. This is to be achieved by means of mutual, long-term commitments to initiatives by the signatory national agencies, the Viable Cities innovation programme and the municipality.

## 2. Parties

Parties to the Climate City Contract 2030 are:

- The City of Gothenburg.
- The agencies: Swedish Energy Agency, Swedish Governmental Agency for Innovation Systems (Vinnova), Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning (Formas), Swedish Agency for Economic and Regional Growth, Swedish Transport Administration and Swedish Environmental Protection Agency.
- The Viable Cities strategic innovation programme<sup>1</sup>.

## 3. Municipal commitments

### 3.1. Municipal climate goals

Through the City of Gothenburg's Environment and Climate Change Programme 2021–2030, the municipal council for the City of Gothenburg has defined a climate goal: that Gothenburg should have a climate footprint close to zero by 2030. This means that emissions within the geographical region of Gothenburg must be reduced by at least 10.3 per cent per year and consumption-based emissions by at least 7.6 per cent per year.

The City of Gothenburg's budget for 2024 states that:

<sup>1</sup> Viable Cities is a strategic innovation program funded by the Swedish Energy Agency, Vinnova and Formas. The program runs until 2030 and has approximately 130 member organisations. Host organisation is KTH.



- the pace of transition must be greatly increased and the Environment and Climate Committee must actively assist other committees and corporate boards to achieve the goals
- the level of ambition for the City of Gothenburg's energy plan must be raised and the measures must be implemented
- companies need to keep pace with the climate transition
- AB Framtiden, the city real estate committee, Göteborg Energi and Renova bear a great deal of responsibility for jointly implementing the systemic changes required in respect of energy.

## 3.2. Strategy

Since the signing of the first Climate City Contract in December 2020, the City of Gothenburg has focused on building the new capacity required to enable effective and strategic co-planning to be put in place in the city. This is a prerequisite if the city's efforts to accelerate the climate transition are to prove successful. The emphasis has been on developing and establishing the city's climate transition function and the successful and efficient ways in which it works. This has involved clarifying how co-planning practices between key companies and administrations should be structured, including a clear division of roles and responsibilities, and clarifying which more specific analyses and planning documents have to be produced as part of this co-planning. The following documents are currently being prepared within the framework of the climate transition function:

1. *The Gothenburg Climate Transition Strategy* describes possible general choices of direction on the basis of scenario-based risk analyses with a view to ensuring that all documentation for action and investment decisions is based on factual analysis of how the intended investment will – or will not – assist in achieving the city's climate goals. The climate transition strategy will be adopted annually by the Environment and Climate Committee. All investments made by the city will subsequently be tested against that.
2. *The Gothenburg Climate Action Plan* describes the climate impact of all ongoing and planned initiatives and measures, along with how these are collectively helping to achieve the climate goal and what further action is required.
3. *The City of Gothenburg's Climate Investment Plan* describes the costs for the initiatives and measures included in the climate action plan.

The above corresponds to demands for a Climate Action Plan and a Climate Investment Plan within the framework of the EU's 100 Climate-Neutral and Smart Cities mission.



The documentation also corresponds to what is included in the climate budget concept, as these documents provide a description of the extent of the climate impact of all major investments and development initiatives, as well as the city's ability to achieve its climate goals. The documentation is therefore expected to provide politicians with the tools they need to actively steer the city's development towards a climate impact close to zero by 2030 by means of aspects such as the city's annual budget, in which assignments can be aligned with the city's committees and boards. This also corresponds to the requirements for coordination between corporate boards and committees, as well as targeted development initiatives for driving systemic change, as requested in the city's budget for 2024.

### **3.3. Organisation and management**

The capacity development work outlined above has been initiated and run by the Environment and Climate Committee (in practice, the Environmental Administration) on behalf of the municipal council. A final report for this capacity building phase has been submitted in autumn 2023, and it will make the transition to an operational phase from 2024 onwards. In this phase, relevant administrations and companies will be assigned clear roles within the framework of the climate transition function, based on their differing and mutually complementary missions and responsibilities.

Environmental administration:

- maintains the efforts of the climate transition function as a structure for strategic co-planning in the city, by convening meetings and providing process management for the work;
- as an active part of the climate transition function, is responsible for forward-looking monitoring of the climate goals by evaluating whether existing operational plans and investment plans within the city's committees and corporate boards – including ongoing development and innovation efforts – indicate that it will be possible to achieve the climate goals. This work will culminate in the production of the city's climate action plan and Climate Investment Plan.

Administrations and companies:

- are responsible, individually, for contributing data and expertise for development of the climate transition strategy, the climate action plan and the Climate Investment Plan;
- hold joint responsibility for ensuring that the various company-specific and administration-specific plans also "keep up" and meet the requirements for systemic change indicated by the climate goals indicate.



### **3.4. Collaboration with the business sector, civil society, the academic community and citizens**

Collaboration with the business sector and the academic community is key to the development of the city's climate action plan at corporate and administrative level, in particular to ensure that the necessary innovation and development needs are identified and confronted by strong initiatives. Close dialogue with residents is also necessary in order to ensure participation and legitimacy. This is where Business Region Göteborg (BRG), the city's business association and owner of the city's innovation parks, plays a very important role in focusing on the transition that will assist with Gothenburg's climate transition, business development and attractiveness. This is being achieved through the City of Gothenburg's strategic business programme, which is focusing closely on sustainable growth.

Developing new system solutions requires close collaboration between the City of Gothenburg and research and development stakeholders. Work has begun at Chalmers University of Technology through creation of a new company, Chalmers Next Labs AB, and this is one example of such collaboration. The purpose of this company is to support more practice-oriented research in areas related to climate transition. Remodelling of the city's innovation parks is also in progress, with a view to reinforcing innovation and development efforts linked to the city's climate transition and other factors.

The ambition is to make it possible to integrate these significant initiatives into the work of the climate transition function. Business Region Göteborg, as a key stakeholder, will achieve this by ensuring that the development and innovation initiatives required by the city's climate transition are in place. It is assumed that this will also require new operational cooperation interfaces to be developed with the region, national government agencies and the EU.

The development and revision of the City of Gothenburg's climate transition strategy will also demand close and active cooperation with the academic community, the business sector, the region, national government agencies and the EU. Identifying and analysing the global changes taking place in fields such as technological development, legislation, availability of raw materials and pricing, establishment of new business models, etc. is a substantial task that will demand greater collaboration with these stakeholders.

A climate council involving researchers from various disciplines has been established, and is tasked with analysing how the city's climate goals can be achieved. Its first report will be submitted in late autumn 2023.

A number of activities focusing on ensuring a just climate transition are also in progress. As part of the Viable Cities project Climate-Neutral Gothenburg 2030 2.0, the





City of Gothenburg will be testing the climate council methodology in the spring of 2024, working on the basis of an OECD standard in the field and in close collaboration with experts at Digidem Lab. In 2023, the City of Gothenburg participated in the EU MOSAIC project for testing inclusive methodologies for development of sustainable mobility.

Spring 2023 also saw three doctoral students starting work on research focusing on how the City of Gothenburg can develop governance that ensures a just climate transition. This work is taking place at the Formas-funded graduate school Just Transition. The Formas-funded feasibility study project Governance for equitable and inclusive climate transition in Gothenburg, as part of the Climate-Neutral and Inclusive Municipalities initiative, also shares this focus in close collaboration with a number of researchers.

### **3.5. Climate investment plan**

As described under 2. Strategy above, the City of Gothenburg's Climate Investment Plan will be a key tool in efforts to secure various forms of funding for the city's climate transition. The first version of the Climate Investment Plan will be completed in early 2024, and at the same time the City of Gothenburg will be finalising its application for the Mission Label within the framework of the EU's 100 Climate-Neutral and Smart Cities mission.

### **3.6. Digital support for implementation**

The City of Gothenburg and Chalmers University of Technology are spearheading national and international efforts to develop a digital twin for the city, known as Virtual Gothenburg. The city is also at the forefront of efforts to develop a digitalised planning process. A number of prominent research initiatives are currently in progress with a view to linking these emerging digital models and analysis tools with long-established research into urban energy systems and the built environment. At the same time, close collaboration with the academic community has allowed Gothenburg to build an in-depth knowledge of the management and governance challenges linked with the climate transition. The City of Gothenburg is now intending to combine these digitalisation initiatives and initiatives relating to management and governance challenges so that it can provide practical management and governance tools for the climate transition.

Digitalisation is also absolutely key to the options for capturing the data needed to develop the city's climate transition strategy, climate action plan and Climate Investment Plan in a manner that makes efficient use of resources and does not increase the administrative burden. Development work is in progress so that this can be integrated into the city's joint system for all other operational monitoring.



### **3.7. Innovation hub for climate neutral municipalities**

A collaboration involving the academic community and the business sector is being developed as part of the Climate-Neutral Gothenburg 2.0 project, supported by the city's innovation programme, in order to secure joint learning initiatives in respect of capacity development for transition: this is a prerequisite if the climate goal is to be achieved successfully. This work is being done in close collaboration with "Climate 2030", an initiative implemented by Region Västra Götaland and the county administrative board with a view to driving development in key areas such as transport, energy transition, chemicals, consumption, etc.

### **3.8. Climate change adaptation**

The City of Gothenburg has been working on climate change adaptation for many years, both centrally and within the framework of the various assignments being conducted by the committees and the board companies. Ambitious work is in progress on developing a coherent action plan for the city's climate change adaptation work. This is aiming to help prepare the city for a changing climate where the city's activities and people's health and living environments can be maintained. In early 2023, the municipal council tasked all committees and boards with developing proposed action for the action plan. In autumn 2023, these were consolidated as input for the joint plan for each committee and board. The proposals will undergo prioritisation in late autumn 2023 that will culminate in the first edition of the action plan. This is expected to be adopted by the municipal council in 2024.

### **3.9. Climate smart mobility**

The City of Gothenburg's climate efforts are focusing significantly on developing sustainable new transport solutions and systems. This work involves close collaboration between the city's administrations and companies and the business sector through projects such as Gothenburg Green City Zone and Transzero, for instance. There is also close collaboration with Region Västra Götaland on new public transport solutions. This work is based on the Gothenburg Electrification Plan 2021–2030, which aims to ensure that the assignment involving electrification is implemented effectively and to help achieve the goals of a fossil-free vehicle fleet, a fossil-free transport system and meeting the overall growth goals for the region. The electrification plan is linked to the City of Gothenburg's strategic business programme 2023–2035 and the City of Gothenburg's Environment and Climate Change Programme 2021–2030.

### **3.10. Reporting and monitoring**

As described under 2. Strategy above, the most important governance tools currently being developed are (i) a climate transition strategy, (ii) a climate action plan and (iii) a Climate Investment Plan. Development of these tools is also creating a



systematic approach to the data collection and monitoring efforts necessary. In combination, these tools will provide the municipal council, as well as committees and boards, with the tools they need to ensure active governance so that the city's climate goals can be achieved.

## 4. Viable Cities' commitments

The Viable Cities innovation programme is being conducted in broad collaboration in order to contribute to the transition to climate neutral cities by 2030 as part of the Swedish commitment to meet the goals of the 2030 Agenda and the Paris Agreement. This includes acting as international pioneers in the transition for cities.

Viable Cities is working with a wide range of stakeholders across academic disciplines, industries and sectors of society. It links outstanding research environments with enterprises of all sizes across a range of sectors, as well as public and civil society organisations.

Viable Cities will promote the following as part of its role as a strategic innovation programme:

### 4.1. Coordination of Climate City Contract 2030

Accelerated mobilisation in respect of the transition on a local, national and international level is now taking place using Climate City Contracts as a tool. This requires more of an ability to coordinate the efforts and go on developing the contracts in order to achieve upscaling, broadening, replicability, prioritisation and more effective coordination of meetings and dialogues between stakeholders.

That is why the Viable Cities programme office is developing a coordination function for Climate City Contract 2030 in Sweden so as to further support the Climate City Contract process, the commitments of agencies, municipalities and other relevant stakeholders being developed and refined step by step. This is being done in parallel with implementation and scaling to drive the transition more effectively. The coordination function will support the building of stakeholders' collective capacity for transition from knowledge to implementation and develop the Climate City Contract to the next level – in a local, national and international context.

The coordination function aims to create better opportunities for municipalities and stakeholders to benefit from and manage at a local level the comprehensive policy packages at EU level that result from the European Green Deal (such as Fit for 55 and the Taxonomy Regulation for sustainable investments).



## 4.2. Smart policy development

Viable Cities intends to create expertise support in respect of policy and regulations with related initiatives in respect of smart policy development. This will involve providing the municipality with more of an overview of current and future Swedish and European legislation, rules and standards of relevance to the climate transition of cities (such as the Fit for 55 policy package). It will also include process support for amending regulations and standards to facilitate climate transition in practice. This will link to agencies' commitments (section 5.1) and development work on system demonstrators (see section 6).

## 4.3. Innovation

Viable Cities intends to develop its role as a pioneer and intermediary (linker of systems, manager of gaps, crosser of boundaries) in order to reinforce the coordinating, mobilising and facilitating efforts in the emerging ecosystem for the Climate Neutral Cities mission, offering a good life for all within the boundaries of our planet.

Viable Cities will contribute competence networks and process support to make it easier for the municipality to implement innovation that accelerates climate transition. This will include engaging other strategic innovation programmes in the further development of Climate City Contract 2030. This is particularly applicable to mobility, energy, the built environment, circular economy, health and digitalisation. Working on the basis of the partnership agreement with the Drive Sweden strategic innovation programme on climate smart mobility, collaboration will be developed further with both cities and agencies in this respect, not least with the Swedish Transport Administration.

## 4.4. Coordinated funding

Viable Cities will be supporting the municipality's need for climate transition funding and promoting cooperation and synergy between agencies and other stakeholders funding climate transition and sustainable urban development in the following ways.

- Viable Cities will go on working with the 23 cities and six agencies involved in Climate City Contract 2030 on developing forms of funding linked with this.
- Viable Cities will cooperate with the Swedish Agency for Economic and Regional Growth as the managing authority for the European Regional Development Fund in Sweden and the initiatives earmarked for sustainable urban development with a view to creating synergy with Climate City Contract 2030.
- Viable Cities will be working together with the agencies to develop work on coordinated funding by means of various ongoing initiatives in respect of sustainable urban development: see 5.3 Coordinated funding.



- Viable Cities will be continuing to develop forms of climate investment plans for cities with a view to supporting all cities as part of the Climate Neutral Cities 2030 initiative.

#### **4.5. Interaction with the EU's Climate Neutral Cities mission**

Viable Cities is working in close cooperation with the support structures that are being built around the EU Climate Neutral Cities 2030 mission – both a platform for implementation of the EU mission, NetZeroCities, and CapaCITIES, a network of national nodes such as the Driving Urban Transitions (DUT) partnership programme. At EU level, closer interaction and synergies with the sister mission “Adaptation to Climate Change”, as well as with the proposed “New European Bauhaus” mission, are also being discussed.

### **5. The agencies' commitments**

The agencies are committed to working together within the scope of Climate City Contract 2030. In this way, the agencies will contribute to the purpose of the mission-driven effort to make the transition to climate neutral cities by 2030 with a good life for all within the boundaries of our planet.

In 2024, the agencies will go on developing supporting structures and new ways of working for a more coherent, strategic and learning development process. The Sustainable Cities Council (Rådet för hållbara städer) acts as a framework and strategic forum for collaboration between agencies, the Swedish Model for Sustainable Development (Svensk modell för Hållbar utveckling) as an operational platform for collaboration between agencies, and Climate City Contract 2030 as a joint innovation and test lab for the 23 cities and agencies.

As part of this, the innovation teams at the Climate City Contract agencies will hold joint responsibility for driving the following innovation processes: Policy labs (5.1), System demonstrators (5.2) and Local portfolio analysis (5.3). This work also involves participation in the Transition Lab facilitated by Viable Cities. In 2024, the agencies intend to focus in particular on the development of Climate City Contract 2030 as an innovation in governance for the Climate City Contract Arena, the meeting place for dialogue workshops between municipalities and agencies (see 6.1).

The agencies commit to continue their joint efforts in respect of the following developments in 2024 in order to support municipalities' climate transition:



## 5.1. Smart policy development

The agencies are working together with the municipalities to identify and contribute to development towards more appropriate regulations and other policy instruments for sustainable urban development and climate transition, and also to increase understanding and knowledge of existing regulations. The process will continue to be based on proactive dialogue and mutual learning, focusing on the development needs of municipalities in an accelerated climate transition.

In 2024, work will continue with policy labs in one or more of the challenge areas identified: inclusive mobility that promotes health, land use and land allocation, energy planning and energy streamlining, and circular resource and material flows. Joint development and planning efforts are ongoing through collaboration and dialogue in order to clarify policy challenges and identify key stakeholders, as well as ensuring the transition potential of policy labs.

## 5.2. Funding for research, innovation and development

The agencies are funding research, innovation, development and system innovation activities that support more rapid climate transition. The agencies' support is aimed at various types of research, innovation, application and demonstration and, to some extent, investment funding. Funding is provided through open calls for proposals and other forms such as, for example, client networks, stakeholder networks and innovation procurement<sup>2</sup>.

In 2024, the agencies are committing to go on developing and funding new types of initiatives, such as: System Demonstrators for Climate Neutral Cities (see 6.2 for more information) and the Urban Twin Transition Center for the digitalisation of cities.

## 5.3. Coordinated funding

The agencies are constantly developing coordination in respect of ongoing initiatives in the field of sustainable urban development and climate transition so as to create better advance planning and comprehensive information.

In 2024, the agencies are intending to deliver aggregated output data from some of the agencies' funding to all 23 municipalities, based on the innovation process on methodology development for local portfolio analyses that was conducted in 2023. The innovation work will also continue in 2024 with a view to improving the quality and coverage of data supplied, and by means of one or more in-depth projects in collaboration with certain interested municipalities in order to streamline the process and increase the benefits for recipients. The long-term goal of the portfolio analyses is to assist in efforts relating to cities' climate investment plans.

<sup>2</sup> See [pressannouncement from the Swedish Internet Foundation](#) (Swedish)



Hållbarstad.se is the joint website of the Sustainable Cities Council. Here, the agencies have undertaken to regularly publish information on funding opportunities and calls for proposals, as well as collective knowledge support from all participating agencies involved in the Sustainable Cities Council<sup>3</sup>.

## 5.4. Participation in European sustainable cities initiatives

The agencies are part of and working with a number of European initiatives to support the development of sustainable cities and communities.

Efforts to support Swedish participation in the Horizon Europe 2021–2027 research programme include contributing to the formulation of activities and calls for proposals and providing information and advice to stakeholders who are planning to participate in applications regarding various European initiatives. The agencies are also cooperating on the implementation of the EU Regional Development Fund 2021–2027 with initiatives for sustainable urban development.

The agencies are continuing to participate in the Driving Urban Transitions to a Sustainable Future partnership, where calls for proposals and other activities in respect of sustainable urban development will be of relevance in the next few years, as well as the European Commission's "New European Bauhaus" initiative,<sup>4</sup> European Urban Initiative (EUI)<sup>5</sup> and Urbact<sup>6</sup>.

The agencies are also helping to develop support functions for the cities selected for the 100 Climate Neutral Cities mission. One example is the "CapaCITIES" programme<sup>7</sup>. CapaCITIES is being used to initiate and reinforce national change processes in order to establish national networks and governance structures.

<sup>3</sup> The Swedish National Board of Housing, Building and Planning, the Swedish Energy Agency, the Public Health Agency, Formas, the county boards, the Swedish Agency for Participation, the Swedish Environmental Protection Agency, the Swedish National Heritage Board, ArkDes (the Sweden's national museum for architecture and design) the Public Art Agency Sweden, the Swedish Association of Local Authorities and Regions, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration och Vinnova.

<sup>4</sup> New European Bauhaus highlights the importance of aesthetic, social and cultural assets in the green transition.

<sup>5</sup> The European Urban Initiative is a hub for sustainable urban development at EU level. The EUI aims to offer support to cities to improve and increase their capacity when it comes to formulating sustainable urban development strategies, policies and projects. (urban-initiative.eu)

<sup>6</sup> Urbact is a European cooperation programme for exchange and learning in the field of sustainable urban development, Swedish Agency for Economic and Regional Growth.

<sup>7</sup> The Swedish Energy Agency and Viable Cities are participating.



## 6. Strategic development projects for 2024

The strategic development projects are key accelerators for the emergence of an ecosystem relating to the Climate Neutral Cities 2030 mission and provide a common platform and arena for collaboration and learning.

The following strategic development projects will be conducted in 2024 within the Viable Cities Transition Lab in collaboration with other municipalities, with a view to further developing the content of Climate City Contract 2030 during the upcoming revision of the contract.

### 6.1. Governance

Developments in climate transition governance, both at local level and between local, national and even EU level, are fundamental to broader mobilisation and more effective systemic changes. This involves coordinating and leading different stakeholders at different levels with a view to accelerating the climate transition and slowing climate change so that a sustainable future can be built. Governance refers to the process and structure of governing, managing and regulating an organisation, society or system. It considers how decisions are made, how authority and responsibilities are allocated, and how rules and guidelines are maintained and followed. This is a complex process involving political, economic, technical and social aspects, which in turn requires cooperation and commitment from a wide range of societal stakeholders.

Mobilisation through Climate City Contract 2030 has proven to be successful and will go on being developed in order to further reinforce, scale up, broaden and accelerate the transition work. Clearer needs orientation/prioritisation and stricter commitments are required from several quarters: from the national agencies and the municipalities, and also linked to the Viable Cities role/commitments.

The Climate City Contract is a new and innovative governance tool that is building a long-term strategic process from local to international level on the basis of the collective mission of achieving sustainable and climate neutral cities by 2030. Commitments from cities, agencies and other stakeholders are revised and refined every year, and implementation takes place in interaction between the public sector, the business sector, the academic community and civil society stakeholders. The whole process is building ever stronger mobilisation of ecosystems of stakeholders and initiatives and constantly reinforcing the collective capacity for faster transition. This is a multi-level governance perspective that has also acted as an international role model when it comes to mobilising cities in a broad partnership between enterprises, the academic community, the public sector and civil society, implementing the EU's "Climate Neutral and Smart Cities" mission, which is aiming to achieve 100 climate neutral cities (municipalities) in Europe by 2030. Being the





first to set up Climate City Contracts makes Sweden a pioneer, leading the way for other European countries and the European Commission. This, in turn, will strengthen the Swedish business sector's ability to take its place and contribute to the global transition.

In the run-up to 2024, there is still a major need to develop a more in-depth understanding of what transformative governance involves and how municipalities and cities can work with it in practice. Collective analysis support for Climate City Contracts will be developed further using experience and insights from the initial steps. This work has to be done in close cooperation between Viable Cities, agencies and municipalities. This work will be coordinated by the programme office, which will ensure stronger emphasis on analysis and monitoring in the Climate City Contract Arena in 2024.

## **6.2. Climate investment plans**

A basic tenet of mission-driven innovation is that the state and public organisations at different levels of society play an active role in co-creating and reshaping markets in interaction with the business sector and other societal stakeholders such as the academic community and civil society.

Climate investment planning is a crucial part of the transition in a municipality or from a broader perspective. Such planning makes it possible to understand what measures the various stakeholders in the city – the municipality and other stakeholders – need to implement, how these measures can be implemented in a manner that is economically viable, and which financial instruments can be used to raise the capital necessary for the transition. On average, the municipality itself is estimated to have control over about 15 per cent of the investments needed. That is why a series of stakeholders need to be involved, including citizens, civil society, enterprises (including the financial sector), the academic community and public organisations.

Climate investment plans as a key part of the work on developed governance for the mission, and in 2024 we will be focusing on climate investment plans in a number of areas; analyses and tests on how climate investment plans can be linked to regular decision-making processes, including roadmaps for climate neutrality at city level, analyses of necessary climate investments in areas with a major impact on climate emissions, such as heating/cooling, mobility, food, etc., economic analyses of multiple benefits of climate transition, such as where climate transition can both help to save money and provide quantified benefits such as better health, more jobs, security, etc., how sustainability indicators can be incorporated more systematically into commercial management and contract management



In 2024, the Viable Cities financial dashboard will undergo further development and incorporate the investment plan page, financial indicators and funding flows provided by different national agencies (see section 5.3). The functions of various financial instruments will be mapped, and a number of learning cases will be launched in areas where financial roadmaps are being developed. There will also be a developed collaboration with investors in order to discuss how to mobilise private funding for climate neutral cities.

The work on climate investment plans in Sweden is closely linked to what is happening within NetZeroCities, the platform for implementing the climate neutral cities mission at European level.

### **6.3. Competitiveness through transition**

Strong mobilisation for the transition to climate neutrality may provide the conditions for enterprises in Sweden to develop new business strategies and entirely new markets, which in turn will provide competitiveness by driving a transition to a climate neutral, sustainable society. This is crucial for Sweden's ambition to be the world's first fossil-free welfare state and our climate policy framework. Enterprises play a key role in the climate transition; as major emitters of greenhouse gases, but also as providers of solutions for climate transition and climate change adaptation.

In 2024, Viable Cities is joining forces with the Climate Competitiveness initiative to explore – together with a range of other stakeholders – what systemic changes can accelerate collaboration between municipalities and the business sector in order to achieve the Climate Neutral Cities 2030 mission with a good life for all within the boundaries of our planet. Collaboration with the agencies signing the Climate City Contract is a key aspect of this work so that policy change can be driven. The initiative is targeted primarily at the 23 cities signing Climate City Contracts for 2030, with the objective of creating knowledge that can be used in all Swedish municipalities.

The aim is to focus jointly on key areas of activity linked to the cities' transition journeys, where enterprises are mobilised and systematically engaged. One important element in this work is to reinforce one another in handling the opportunities and challenges presented by the EU's "Fit for 55" programme. Examples of areas of activity include procurement, skills supply, business development and establishment. The work includes reviewing the chances of using municipal policy documents such as procurement policy, business programmes and ownership directives for municipal companies in order to drive development. In its work, Viable Cities also engages with business-oriented organisations and initiatives at international, national and regional level where fair and inclusive transition is a key aspect.



## 6.4. Citizen engagement

Current societal challenges mean that a number of crises coincide with the climate crisis: the pandemic, the war in Ukraine, crises in respect of energy, food, raw materials and critical minerals, biodiversity and demography. These challenges are exacerbated by the fact that we are also experiencing a democratic development where a growing proportion of the population feels excluded.

This increases the need for initiatives aimed at inclusion and putting citizens at the centre of the transition to a climate neutral, sustainable society through initiatives such as new forms of citizen involvement (such as citizens' councils) and the development of attractive living environments (such as New European Bauhaus) and policies for the designed living environment. It is necessary to make the most of citizens' knowledge and expertise with regard to the decisions that affect their lives, and these decisions must be supported by the vast majority so that action and change can be implemented at the pace and to the extent required.

There will be further development of cooperation between cities, agencies and other stakeholders in 2024 in order to pave the way for citizen engagement in the climate transition; not least by developing new forms of citizen involvement in local Climate City Contracts and interaction with European initiatives in this respect.

A number of learning cases, tests and initiatives in respect of citizen participation will be mobilised in 2024 with a view to building on empowering citizens so as to accelerate the climate transition.

## 6.5. System demonstrators

System Demonstrators for Climate Neutral Cities is a strategic development project under Climate City Contract 2030. The system demonstrators are expected to play an essential role in the ability of cities to accelerate the transition, raise awareness and create plenty of engagement on a local, regional, national and international level.

The initiative focuses clearly on mission-oriented innovation, and clearly emphasises the importance of a systems perspective in the transition process. A portfolio approach, where a number of actions, initiatives and experiments combine to form a larger whole, is an important element in this form of intervention. The system demonstrators are based on key areas of Climate City Contract 2030 and are intended to assist with the development of the contract on the basis of insights from the work.

Viable Cities and the agencies undertake to help raise the profile of the system demonstrators in key contexts at national and international level, and to capitalise on the insights from the system demonstrators with a view to facilitating upscaling. All



Climate City Contract 2030 municipalities undertake to capitalise on the insights from the system demonstrators with a view to facilitating upscaling.

## **6.6. Climate Neutral Cities 2030 mission on an international level**

In October 2021, the EU launched five missions for a new and innovative way of working together and improving people's lives in Europe and beyond. These five missions aim to tackle major societal challenges such as health, climate and the environment, and set ambitious goals with deadlines to be achieved by 2030. One of these is 100 Climate Neutral and Smart Cities by 2030 (known as the Cities Mission), which is a key element in delivering the European Green Deal with a view to making the continent climate neutral by 2050. This will involve significant reinforcement of Swedish efforts on the mission of achieving climate neutral cities by 2030 and using Climate City Contract 2030 as a tool for this.

There will be continued mobilisation and development in 2024 in order to reinforce the link between Swedish and European efforts on the Climate Neutral Cities 2030 mission. This is taking place by means of a series of initiatives involving cities, agencies and Viable Cities programmes. Examples include NetZeroCities (a platform for implementing the Cities Mission, with development work on aspects such as Climate City Contracts and Climate Investment Plans), the Driving Urban Transitions partnership (with research and innovation projects focusing on 15-minute cities, energy-positive districts and the circular urban economy) and CapaCITIES (which is developing national support platforms similar to Viable Cities in a number of countries in Europe).

At EU level, closer interaction and synergies between the Cities Mission and its sister mission "Adaptation to Climate Change", as well as with the "New European Bauhaus" initiative, are also being discussed.

Launched by the European Commission in January 2021, the New European Bauhaus initiative links the European Green Deal with our built environment. In the Cities Mission implementation plan, the European Commission points out that EU Climate City Contracts will enable participating cities to integrate the values and principles of the New European Bauhaus initiative in their climate neutrality plans and reinforce them. Work on the New European Bauhaus is taking place in collaboration with the government assignment awarded to the Swedish National Board of Housing, Building and Planning (Sustainable Cities Council, Rådet för hållbara städer) aimed at coordinating Sweden's participation in the New European Bauhaus.



## 7. Joint efforts on monitoring, evaluation and updating

Viable Cities and the municipality have agreed to conduct annual monitoring of the municipality's performance within the framework of Climate City Contract 2030. Viable Cities will provide documentation annual monitoring at municipal and national level.

### 7.1. Key updates for the municipality

During the year, the City of Gothenburg has taken significant steps towards operationalising the new structures built up as part of the Climate City Contract. Participation in the further operationalisation of the climate transition function, including production of a climate transition strategy, (ii) a climate action plan and (iii) a Climate Investment Plan, has been secured from the most central administrations and companies, and work is in full swing. Another important prerequisite for the ongoing work is the fact that increasing the budget for the Environment and Climate Committee made it possible to reinforce the environmental administration, appointing additional staff with expertise in fields such as climate transition management and governance.

### 7.2. Most urgent experiences for the municipality to share

The most important lessons learned to date are presented below.

- One of the key lessons learned is that defining management and governance structures that harmonise and integrate with the municipality's existing governance is a demanding task. This learning-based work takes time and requires a great deal of stamina, as well as expertise and the courage and ability to challenge the organisation in different ways in order to reveal the most important critical issues. No two municipalities are alike in terms of the level and degree of detail required for a functional and effective fit between existing governance and developed capacity for climate transition governance. The City of Gothenburg has now acquired the necessary in-depth insights that will help it to continue with more operationally oriented initiatives.
- There is a need to commence collaboration early on with a series of stakeholders, including the business community, researchers and – not least – civil society and citizens, as these forms of engagement require their own specific formats, methods and contracts if they are to work.
- The work done has identified a significant need for national capacity support in order to sustain the municipalities' efforts in respect of business intelligence,



risk analysis and risk management, as well as capacity development for climate transition.

In more general terms, we perceive a great need for national government agencies to clarify the new approaches and forms of support that they intend to implement, in particular the national Climate City Contract, so that the municipal transition work can be supported, and also to ensure that such new approaches are consolidated in the government agencies' formal governance.

### **7.3. Key updates for Viable Cities**

The work done by Viable Cities on facilitating the Climate City Contract process has undergone development in 2023. The Viable Cities programme has also prepared a new multi-year phase of the programme. Moreover, significant development work on climate investment plans has taken place and the new system demonstrator intervention has taken new steps. An EU-level process on Climate City Contracts has been established in the international cooperation on the mission and a number of Swedish cities have been successful in becoming involved in the work of the mission regarding climate-neutral cities with funding from Horizon Europe.

#### **7.3.1 The Climate City Contract process**

Work has continued in 2023 on developing the role of Viable Cities as a facilitator of the Climate City Contract process in interaction with the 23 cities and 6 government agencies that are signatories to date. The accelerated learning platform has been further developed through the Viable Cities Transition Lab Forum, City Labs, Climate Breakfasts and a series of different formats for meetings between cities and government agencies and other stakeholders. Interaction with the signing government agencies has also been developed in order to further extend the Climate City Contract 2030 process. In parallel, work has continued in the 23 cities on developing different forms of local climate contracts as part of mobilising local transition arenas with companies, the public sector, the academic community and research institutes and civil society. Mobilisation at EU level with the 112 cities that are pioneers in the Climate-Neutral Cities 2030 mission has also involved a process of establishing Climate City Contracts with the participation of Viable Cities. Viable Cities perceives an increased need to create synergies and work on developing support for learning between cities and further developing interfaces between local, national and international levels. The aim of all this is to reinforce the collective capacity for transition.

#### **7.3.2 Strategic efforts prior to new programme phase**

Scaling up relevant initiatives in various ways for greater impact and to increase the pace of transition is a crucial element in Viable Cities' work going forward. It is also clear that further work needs to be done in a situation in which multiple crises



coincide with the climate crisis. Extensive strategy work took place during the year in preparation for the next multi-year phase of the programme. In October, Viable Cities submitted an application to become one of the programmes under the new, mission-oriented Impact Innovation programme. In parallel, documentation is being submitted for the next phase as a strategic innovation programme in which an evaluation of the first six years of the programme has been completed. In various ways, Viable Cities has also provided input for the Government's forthcoming climate policy action plan and the forthcoming research and innovation bill and contributed to SALAR's planning<sup>8</sup> of how municipalities and regions can improve and intensify their efforts on climate change adaptation and reduced climate impact.

### **7.3.3 Strategic upscaling and acceleration initiatives**

Continued development work on climate investments for the transition for cities has taken place both in Sweden and in European cooperation as part of the work on Climate City Contracts. Dialogue with relevant financial stakeholders has also been developed in this regard. Digitalisation efforts were also intensified during the year, and November saw the establishment of the Urban Twin Transition Centre in collaboration with Viable Cities. Work has also begun on preparing processes for enhanced citizen engagement/participation in order to create methods and insights that can be used by many cities. A Just Transitions graduate school was launched at Linköping University during the year, in cooperation with Viable Cities. Lund University, in collaboration with Viable Cities, has also launched a Massive Online Open Course (MOOC): Cities, Climate and Change: Pathways and Opportunities. Work on storytelling and communication for transition has also undergone further development. The next step in developing a new form of intervention known as System Demonstrators has been taken with funding from Vinnova and Viable Cities for two system demonstrators: CoAct in Lund, which is focusing on both sustainable mobility and energy-positive districts, and SnabbSam in Stockholm, which is focusing on a fossil-free city centre. Other cities are keen to join in with these collective learning efforts. Fifteen feasibility studies have been funded as part of Viable Cities in order to explore how we can further energise the transition of cities in three respects: citizen engagement, climate investments and regional collaboration.

### **7.3.4 International alliances in respect of the mission**

Efforts to mobilise cities and countries in respect of the mission, in which Viable Cities is involved in a number of ways (e.g. NetZeroCities, Driving Urban Transitions, CapaCITIES, Urban Transitions Mission), are continuing. An evaluation commissioned by the European Commission of the EU's work on the five missions<sup>9</sup> was published

<sup>8</sup> Fair and sustainable transition for the climate – Proposal from SKR's program preparation for sustainable transition, SALAR, September 2023 (Swedish)

<sup>9</sup> Alasdair Reid et al. Study supporting the assessment of EU Missions and the review of mission areas – Mission areas review report. 10.2777/61143, European Commission, 2023



during the year. This concludes that the Climate-Neutral and Smart Cities 2030 mission (Cities Mission) has already achieved significant mobilisation to step up the pace of climate transition in cities. The evaluators highlight the fact that establishment of the Cities Mission was an important and timely initiative in order to address the “implementation gap” and the systemic challenges that individual cities’ climate efforts could never handle alone.

Viable Cities has continued its efforts as one of many international NetZeroCities partners in order to facilitate the transition in the 112 cities (seven of which are Swedish). NetZeroCities, in dialogue with the European Commission, has formulated a Climate City Contract for cities throughout the EU as a tool to accelerate climate transition. Climate investments are a key element in this regard. As with everything else Viable Cities does, the ambition is for methods, tools and lessons learned to benefit many more cities as they make their transitions. Swedish cities have achieved success within the framework of NetZeroCities and been granted funding for a number of initiatives in order to reinforce their climate transition initiatives. Malmö, Uppsala and Umeå, for instance, have received funding as part of the Pilot Cities initiative (totalling around SEK 45 million); and Luleå (matched with Umeå) and Lund are just two of the cities that have been selected and matched with pilot cities under the Twinning initiative, which focuses on learning partners for transition.

New steps are being taken as part of the work that has been conducted at global level within the Climate Smart Cities Challenge for a number of years, and which involves a number of Swedish stakeholders, with a view to further developing the work. This includes linking the four system demonstrators as part of the initiative with the two Swedish ones, and also working to mobilise capital. The partnership with UN-Habitat is key to this, and a dialogue is being conducted regarding broader cooperation with UN-Habitat on the basis of climate transition for cities. Similarly, a dialogue has been initiated regarding broader cooperation with the World Wide Fund for Nature (WWF) regarding climate transition for cities in Sweden and internationally.

## **7.4. Key updates for the government agencies**

The agencies have worked jointly on four innovation processes in 2023 as part of Climate City Contract 2030. Four challenges have been identified for policy labs as part of Smart Policy Development. System demonstrators for climate neutral cities are being trialled in two cities. A local portfolio analysis method has been trialled and scaled up. Climate City Contracts as a model for developed governance have been analysed in depth.

### **7.4.1 Smart policy development**

In 2023, a number of joint workshops with Climate City Contract municipalities and Climate City Contract agencies were organised so that development of more appropriate regulatory frameworks and other instruments could begin. Four





challenge areas were identified, and these were mapped and investigated further with a view to making decisions to launch a number of “policy labs” in one or more of the areas identified. Representatives from the agencies continued working between the workshops, processing the data that emerged and planning for future work. All the work involved forms of exploration and learning, with everyone involved.

#### **7.4.2 System demonstrators**

The emphasis on system demonstrators for climate neutral cities has continued in 2023. The call for proposals for System Demonstrators for Climate Neutral Cities – Planning Phase took place, and two cities were awarded funding. This call for proposals will be seamlessly followed in 2024 by the call for proposals for System Demonstrators for Climate Neutral Cities – Implementation Phase, which will be open only to the same two cities that were awarded funding for System Demonstrators for Climate Neutral Cities – Planning Phase.

#### **7.4.3 Local portfolio analyses**

In 2023, the agencies have carried on developing a methodology for portfolio analysis of the agencies’ overall funding to cities. The methodology was trialled in discussion with five of the municipalities during the year. The aim during the year has been to investigate applications in the municipalities and enable all 23 municipalities to scale up. The year’s work and completed tests were presented and further developed jointly during the Transition Lab Forum in Kristianstad in the autumn.

#### **7.4.4 Greater collaboration between agencies**

In 2023, the agencies forming the Sustainable Cities Council have been granted funding from the European Regional Development Fund’s National Programme to develop a more operational inter-authority collaboration platform. This collaboration platform has been named Svensk modell för hållbar urban utveckling, the Swedish Model for Sustainable Urban Development. The aim of this is to focus on the more operational efforts of the agencies and develop a coordinated and joint initiative to reinforce the municipalities’ capacity for innovation. The Sustainable Cities Council decided to review in 2023 how the Council can be strengthened in its role as a strategic forum and provide a framework for the operational collaboration platform Swedish Model for Urban Sustainable Development and Climate City Contract 2030 as a joint innovation and test lab for the 23 cities and agencies, as well as other related initiatives identified. The aim of this was to increase synergies and learning between several of the agencies’ related assignments and initiatives.

#### **7.4.5 Climate City Contracts as a governance model**

Developments in climate transition governance, both at local level and between local, national and even EU level, are fundamental criteria for broader mobilisation and more effective systemic changes. In 2023, collaboration between agencies



– with analytical support by Vinnova – focused on governance issues in particular A strategic analysis project entitled “Klimatomställning av städer – en svensk modell för att öka takten i omställning” (Climate transition of cities – a Swedish model to increase the pace of transition) was conducted in close cooperation with Viable Cities, and with the active participation of both the agencies and the cities. From an operational perspective, it has been possible to devise the term “governance” for climate transition on the basis of practical experience from the last two decades. Governance is used when an authority needs to go beyond what it can directly control in order to realise a goal, which also involves systemic shifts from piecemeal operations to a holistic approach to public administration. In governance, the authority collaborates with the business sector, civil society and the academic community.

## 9. The contract

The Parties agree that these joint commitments, as formulated above, shall apply for 2024. The first version of Climate City Contract 2030 was signed in 2020, the second in 2021 and the third in 2022. The Climate City Contract is to be updated and renewed for each new year.

# Climate City Contract 2030

Between the City of Gothenburg, the Swedish Energy Agency, Vinnova, Formas, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration, the Swedish Environmental Protection Agency and Viable Cities.

**Stockholm 2023-12-08** The Parties agree that these joint commitments, as formulated above, shall apply for 2024. The first version of Climate City Contract 2030 was signed in 2020, the second in 2021 and the third in 2022. The Climate City Contract is to be updated and renewed for each new year.

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## Appendix 1 – Links to documents

Below are the links to the most relevant documents in relation to Climate City Contract 2030 for the City of Gothenburg (may be in Swedish).

- The City of Gothenburg’s environmental and climate program 2021–2030 (2021) [Environment and climate Gothenburg 2030 - City of Gothenburg \(goteborg.se\)](#)
- Gothenburg City’s energy plan 2022–2030 (2022) [Gothenburg City’s energy plan 2022–2030 - Gothenburg City \(goteborg.se\)](#)
- Gothenburg City’s electrification plan 2022–2030 (2022) [Gothenburg City’s electrification plan 2022–2030 \(goteborg.se\)](#)
- The City of Gothenburg’s business strategic program 2023–2035 (2023) [Business strategic program | Business Region Gothenburg \(businessregiongoteborg.se\)](#)
- Gothenburg City’s program for an equal city 2018–2026 (2018) [Gothenburg City’s program for an equal city 2018–2026 \(goteborg.se\)](#)
- Overview plan for Gothenburg (2022) [Overview plan for Gothenburg \(goteborg.se\)](#)