



# Core country self-assessment mappings delivered by core countries

## Deliverable 4.2

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## Table of Contents

EXECUTIVE SUMMARY

INTRODUCTION

Self-assessment exercise

Self-assessment exercise: timeline

Self-assessments exercise: structure

HIGH LEVEL ANALYSIS

### Part A: National platforms for climate neutral cities

Current state of the national support structures for climate neutral cities

### Part B: Enabling and hindering factors for climate neutral cities

Level of support from the national and regional governments for climate neutral cities

Key barriers for climate neutral cities

Current national policy framework for climate neutral cities

Quantitative impact measurement and GHG reporting for climate neutral cities

Current financial and financing support for climate neutral cities

### Part C: Support from CapaCITIES

KEY LEARNINGS

### Part A: National platforms for climate neutral cities

### Part B: Enabling and hindering factors for climate neutral cities

Level of support from the national and regional governments for climate neutral cities

Key barriers for climate neutral cities

Quantitative impact measurement and GHG reporting for climate neutral cities

Current financial and financing support for climate neutral cities

### Part C: Support from CapaCITIES



## **EXECUTIVE SUMMARY**

CapaCITIES supports European countries in creating national structures to support the European Cities Mission at the national level. The ongoing activities and respective knowledge of the national actors that are part of the CapaCITIES consortium are at the heart of the project. With this deliverable, all fifteen CapaCITIES Core Countries have submitted their self-assessments, in which they collected relevant information about the current state of the national support for the climate neutral cities in their countries, as well as communicated their concrete needs to the CapaCITIES consortium.

CapaCITIES is there to support, connect, empower and inspire national authorities, national ministries, funding agencies and agencies responsible for urban transitions in their efforts to build up the necessary *national* change processes. The self-assessments will inform the programme of activities for the Core Countries in CapaCITIES and will help tailor them to their specific needs. It applies especially to the capacity building sessions and Solution Roadmap workshops in WP4, but will also bring some added value to actions planned across all WPs.

## **INTRODUCTION**

### ***Self-assessment exercise***

The self-assessment exercise was carried out by the fifteen CapaCITIES Core Countries and had a twofold role: 1) to collect relevant information about the current state of the national support structures as well as enabling and hindering factors for climate neutral cities in the Core Countries; 2) to learn more about Core Countries' specific needs and address them adequately in a programme developed by CapaCITIES.

The self-assessment was designed as a long-term learning exercise for the Core Countries. It means that the Core Countries will have access to their self-assessments during the entire lifetime of the project and will be able to populate them with more details as they develop their national support structures and learn more about their national ecosystems. To this end, the Core Countries' self-assessments included in this deliverable should be seen as the initial mappings and the first iteration of the self-assessment exercise that will become more advanced and detailed over time.

It is important to emphasise that the Core Countries' self-assessments reflect the current level of knowledge about the national support structures as well as enabling and hindering factors for climate neutral cities that is available to the CapaCITIES national partners. The results of the self-assessments will be cross-checked with the interviews conducted in WP2 in CapaCITIES as well as with the ***D5.9 Mapping of national and regional city collaboration and support for Cities Mission implementation*** in NetZeroCities to possibly grasp the fullest picture of the current state of affairs in the Core Countries.

The results of the self-assessment exercise will also feed into the ***D3.1 Mapping of governance actors and core elements in the Core Countries*** in WP3.

### ***Self-assessment exercise: timeline***

Self-assessment is the iterative exercise aimed at documenting changing conditions and



developments in the Core Countries as they advance in building the national support structures. The Core Countries will have an opportunity to revisit and update their self-assessments regularly. There will be two submission windows each year – in March and August, in which the WP4 lead will analyse the most current version of the self-assessments and formulate key learnings. The Core Countries will be informed about this opportunity. They will also receive reminders in advance of every submission window to revise their self-assessments and populate them with the most recent information.

The first version of the self-assessments were collected between **20 February** and **10 April 2023**. The next submission window and revision of the updated self-assessments will take place in **August 2023**. The WP4 lead will update this deliverable (D4.2) after each submission window and share the new version with the Project Officer from the European Commission.

### **Self-assessments exercise: structure**

To support the Core Countries with the self-assessment exercise, ICLEI developed a **self-assessment template** (D4.1), which is a tool for the Core Country partners to collect relevant information and communicate their needs to the consortium. The country templates are living documents that should be systematically reviewed and updated. They should also evolve over time as countries advance in their work.

The self-assessment template (D4.1) that was shared with the Core Countries in January 2023 was comprised of the following sections and questions:

#### **Part A: National platforms for climate neutral cities**

In this part of the self-assessment template, we would like to better understand the current state of play regarding the national platforms for climate neutral cities in your country. By a **national platform** we mean support structures provided by the national and regional governments to cities in order to help them reach their 2030 climate neutrality goal. While such support structures may take different forms, like concrete commitments, vertical and / or horizontal collaboration, partnerships between different stakeholders and many more, all of them will have a certain degree of formalisation. National platforms have a clear objective - climate neutral cities by 2030, and coordinate different actions to help local governments achieve this goal, such as conferences and meeting opportunities, services, (financial) support and others.

A.1 Is there a national platform for climate neutral cities established in your country?

- Yes
- It is being currently established
- No
- Not sure

A.2 What does the national platform for climate neutral cities currently look like in your country? Please elaborate briefly on the following criteria in your answer: *support structures / target / degree of formalisation / form of the support / types of stakeholders / vertical & horizontal collaboration*.

A.3 What stakeholders are part of the national platform for climate neutral cities in your country? Please use the [sense making map](#) developed by Viable Cities to indicate key stakeholders.

A.4 What roles do different stakeholders play in the national platform for climate neutral cities in your country? Please use the [stakeholder mapping table](#) to provide us with more detailed information about



indicated stakeholders (Table 1) and reflect on the stakeholders relevant for the development of the national platform who are not yet included in it (Table 2).

A.5 What did the process leading up to the creation of the national platform look like? Please describe it briefly.

A.6 What are the key activities / achievements of the national platform in your country so far? It can be a conference bringing together diverse stakeholders, a strategy or plan, concrete commitments from the national government and many more.

A.7 How does the national platform in your country strive to bring together different forms of support for climate neutral cities, like technical assistance, financing, policy alignment, and others?

### **Part B: Enabling and hindering factors for climate neutral cities**

In this part of the self-assessment template, we would like to better understand the current national framework for climate neutral cities in your country. Does it support or prevent cities from achieving their mission? You will have an opportunity to address the following topics:

- *Current national policy frameworks for climate neutral cities*
- *Quantitative impact measurement and reporting for climate neutral cities*
- *Current financing capacities for climate neutral cities*

B.1 How strong is the multi-level support for cities in your country at the national level to become climate neutral?

- The national governments actively support cities in reaching climate neutrality
- The national governments take some action to support cities in reaching climate neutrality
- The level of support from the national governments is very low
- Not sure

B.2 How strong is the multi-level support for cities in your country at the regional level to become climate neutral?

- The regional governments actively support cities in reaching climate neutrality
- The regional governments take some action to support cities in reaching climate neutrality
- The level of support from the regional governments is very low
- Not sure

B.3 Please describe briefly the level of national and regional support for climate neutral cities in your country based on your answers in B.1 and B.2. For example, if the level of support is generally low, please explain why.

B.4 What are the key barriers for climate neutral cities in your country? You can select more than one answer.

- Lack of the shared climate neutrality ambition at the local, regional and national level of government
- Lack of or hindering national and regional climate policies and strategies
- Lack of multi-level governance framework
- Lack of or hindering legal and regulatory framework
- Lack of emission monitoring and reporting framework including reporting from the local level
- Lack of support for capacity development in cities
- Lack of national and regional financing and funding for climate neutrality



- Lack of national and regional programmes for technical assistance in cities
- Others (What others? Please specify below.)

B.5 Please describe briefly the indicated key barriers and if possible, share links to relevant websites and documents.

### Section B1: Current national policy framework for climate neutral cities

B1.1 What are the key national policies in your country that refer to climate neutrality? Please describe them briefly, including the following aspects and if possible, share links to relevant websites and documents:

- *What are the targets and the timeframes for implementation?*
- *What elements do they include?*
- *Are they strategies or laws? Are they legally binding?*
- *Do they include a concrete mechanism in case the promised actions were not delivered?*

B1.2 Do the policies described above include specific sections focused on local governments? Please describe briefly the key messages included in these sections.

B1.3 Do the policies described above include specific sections on financial support for cities to achieve climate neutrality? Please briefly describe the key messages included in these sections.

B1.4 Is there any other form of national / regional support for cities to reach climate neutrality? Please describe them briefly.

### Section B2: Quantitative impact measurement and GHG reporting for climate neutral cities

B2.1 Who is collecting the national GHG data in your country?

B2.2 How are the local governments' emission reductions included in the national GHG monitoring and reporting framework?

B2.3 How do national or regional governments support reporting platforms for cities, like *MyCovenant* or *CDP-ICLEI Track*, if at all?

B2.4 How do the national or regional governments support cities in GHG reporting, if at all?

B2.5 How do cities in your country collect GHG data? Do they collect their own data or use the aggregated national data?

B2.6 How do the national and regional governments support cities with GHG data collection and data access, if at all?

### Section B3: Current financial and financing support for climate neutral cities

B3.1 How would you evaluate the financial (eg. state aid, financial programmes, tax transfer) and financing support (eg. investment facilities, guarantees, funds) that local governments receive from the national level?

**High**

- tax transfers are directly linked to climate neutrality objectives and financial programmes are directed to support cities' climate-neutrality programmes;



- an advisory body or agency at national level is responsible to actively support cities and regions in developing and financing climate neutrality projects;
- national investment banks have established technical assistance programmes and financing facilities for climate-neutral cities;
- the national government supports piloting of innovative financing instruments to support climate-neutral cities

**Medium**

- national investment banks have established financing facilities for climate-neutral cities;
- an advisory body or agency at national level is responsible to support cities and regions in developing and financing climate neutrality projects upon request;
- an advisory body or agency at national level supports cities and regions in accessing EU funds supporting climate-neutrality

**Low**

- national investment banks have established financing facilities for climate-neutral cities;
- an advisory body or agency at national level supports cities and regions in accessing EU funds supporting climate-neutrality

**None**

- no financial programme or other support for cities' climate-neutrality programme is available at national level;
- upon request, a national focal point provides advice on EU funding programmes

B3.2 If there is a national level body mandated to support cities in attracting and using capital for climate neutrality in your country, please briefly describe its role, competencies and assess its relevance for cities.

B3.3 What financial resources are allocated to local governments specifically to finance climate neutrality projects?

- (1) % of annual national budget directly devoted to climate neutral projects in cities
- (2) total amount (in million €)
- (3) if a national / regional financing plan / programme is forthcoming, please describe it briefly

B3.4 What types of climate finance instruments implemented in cities or regions are supported by the national / regional government and how? In your answer, please refer to some of the following finance instruments: *green or sustainable bonds / local tax levies / regional or local funds / PPPs / climate insurance instruments / debt financing / private lending.*

B3.5 Is there a national climate fund supporting climate neutral cities in your country? If so, please describe briefly how it works, including the following aspects:

- Overall yearly budget: in €
- Type of support: PDA; Guarantee fund; DRR fund; Climate neutrality fund;
- Type of financing: revolving fund; PPP (public-private partnership); debt swap; fiscal incentive etc.
- Financing mechanism: loan; grant; equity etc.



## Part C: Support from CapaCITIES

C.1 What type of support would you like to get from the CapaCITIES consortium?

C.2 The CapaCITIES consortium will offer capacity-building training. What topics would you like to learn more about in order to advance the national platform for climate neutral cities in your country? You can select more than one answer.

- Guidance in how to engage stakeholders
- Guidance in how to connect with the EU level initiatives and partnerships (e.g. NetZeroCities, Driving Urban Transitions, other EU Missions - in particular the EU Mission on Climate Adaptation, EU Covenant of Mayors, EU Climate Pact, New European Bauhaus, Smart City Market Place, NetworkNature)
- Guidance in how to access funding (e.g. EU initiatives, leveraging taxonomy, private funding)
- Guidance in how to access services
- Guidance in standards and certification schemes (development, application)
- Good practices on integrated planning (e.g. SECAPs, Urban Greening Plans)
- Good practices in climate reporting (e.g. reporting platforms, supportive national reporting frameworks)
- Good practices from other countries on how to build / advance national platforms for climate neutral cities
- Innovative multi-level governance approaches (e.g. Climate City Contracts, Local Green Deals)
- Innovative financing instruments (e.g. revolving funds, SPVs)
- Others (What others? Please specify below.)

C.3 The CapaCITIES consortium will provide you with training materials on quantitative impact measurement and reporting for climate neutral cities. What would be most helpful for you in regard to this topic?

C.4 What is your ambition for the next 2 years? What are your hopes and expectations in regard to the development of the national platform for the climate neutral cities in your country?

C.5 Is there anything else you would like to share with us?

### **HIGH LEVEL ANALYSIS**

This part is dedicated to a high level analysis of the answers provided by the Core Countries in different sections of the self-assessment. We will demonstrate results for all questions, however, give priority to *Part B: Enabling factors for climate neutral cities* and *Part C: Support from CapaCITIES* of the self-assessment, as *Part A: National platforms for climate neutral cities* is the main subject of the **D3.1 Mapping of governance actors and core elements in the Core Countries** in WP3. This deliverable includes more detailed analyses of the national platforms across the Core Countries.

#### **Part A: National platforms for climate neutral cities**

**Current state of the national support structures for climate neutral cities**

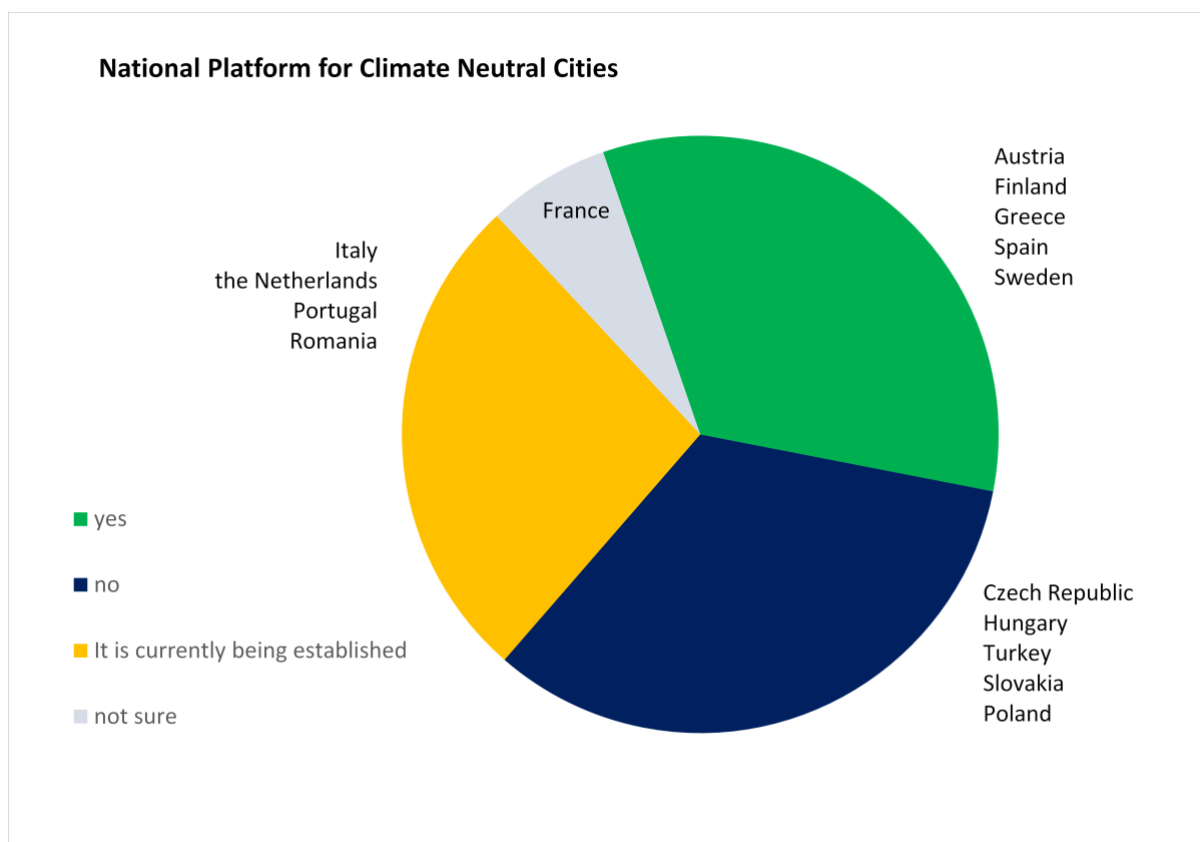
##### **A.1 Is there a national platform for climate neutral cities established in your country?**

By a **national platform**, we mean support structures provided by the national and regional governments to cities in order to help them reach their 2030 climate neutrality goal. While such

support structures may take different forms, like concrete commitments, vertical and / or horizontal collaboration, partnerships between different stakeholders and many more, all of them will have a certain degree of formalisation. National platforms have a clear objective - climate neutral cities by 2030, and coordinate different actions to help local governments achieve this goal, such as conferences and meeting opportunities, services, (financial) support and others.

Out of the fifteen Core Countries which handed in their self-assessments, five countries (Austria, Finland, Greece, Spain, and Sweden) indicated that the national platforms for climate neutral cities were already established in their countries. Four countries (The Netherlands, Italy, Portugal and Romania) answered that the national platforms are being currently established and five countries (Czech Republic, Hungary, Poland, Slovakia and Turkey) said that the platforms don't exist in their countries yet. The CapaCITIES national partners from France indicated that they were 'not sure' whether their current national support structures count as an official platform for climate neutral cities, as it is a platform coordinating at the national level the Cities Mission and linked calls and initiatives.

**Chart 1**



**A.2 What does the national platform for climate neutral cities currently look like in your country? Please elaborate briefly on the following criteria in your answer: support structures / target /**

***degree of formalisation / form of the support / types of stakeholders / vertical & horizontal collaboration.***

The countries have been classified in line with their responses provided in the self-assessments (see A.1). The exception was made in the case of France, which has indicated that it is 'not sure' whether it has a national platform or not. However, after evaluating information provided by the French partners in their self-assessment as well as in the interview conducted in WP2, we decided to include it among the established national support structures.

**Established national support structures for climate neutral cities: Austria, Finland, France, Greece, Spain, Sweden**

**AUSTRIA**

In Austria, there are two important national support structures for climate neutral cities: the Smart Cities Network Austria and the national 'Climate Neutral Cities' Mission.

The **Smart Cities Network Austria** is funded by the Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology (BMK) and serves as the central city network to support and accelerate innovation processes in cities, especially in the work towards climate neutrality. It includes seven cities: Vienna, Graz, Salzburg, Villach, Klagenfurt, Innsbruck and Linz, and is facilitated by the Salzburg Institute for Regional Planning. Its work is focused on such areas as spatial energy planning, climate protection, climate change adaptation, mobility, integrated planning, process and governance, legal frameworks, participatory approaches and participation, quality of life in urban areas and ICT.

The '**Climate Neutral Cities' Mission** has been launched by the same ministry (BMK) with the aim to complement the EU Cities Mission and support ten Austrian cities and municipalities in achieving the national climate and energy goals. The Mission includes comprehensive research activities and accompanying measures, which will act as enablers to develop the path towards climate neutrality and to implement it. The BMK and the ten Austrian pioneer cities signed **cooperation agreements**, which will secure additional resources for the necessary personnel capacity and competence development with up to €2 million per city. The Mission also works with twelve follower cities and has the ambition to include 50-70 additional cities by 2030 and provide them with funding. The national mission derives from the 'Fit4UrbanMission' initiative within the 'City of the Future' programme, which supported nine Austrian cities in developing strategies to achieve climate neutrality by 2040 through a targeted funding scheme as well as in preparing applications for the EU Cities Mission. The cities received support from the Salzburg Institute for Regional Planning and Housing and AustriaTech for the activities. The **structure** of the national Cities Mission is horizontal. The core team is comprised of people from different domains and units within the BMK, but also from the Austrian climate funds and the Austrian research promotion agency. An extended team includes people from other sections of the ministry. The Austrian Cities Mission is one of the recently established cross-cutting pillars at the ministry that brings together people from different departments. It has its own agenda setting process and was subsequently assigned a **budget** for 2024 that is specifically dedicated to climate neutral cities. BMK has also launched a '**Mission Cities Action Group**' among the relevant federal ministries, supporting agencies and key stakeholders for the EU Cities Mission. This internal group within the government administration aims to co-design and coordinate actions in innovation policy and beyond in other BMK policy domains, like mobility, energy and environmental protection.



## **FINLAND**

Finland has a long tradition of working in a network manner, which is reflected in a long-term collaboration between the national level (Ministry of Economic Affairs and Employment, Ministry of Environment) and the local level (sixteen ecosystem cities and six big cities) for climate neutrality. The leading cities are collaborating in the context of the Innocities program, where the Ministry of Economic Affairs and Employment and each city and city region have drawn up an **ecosystem contract** that refers to land-use, housing and traffic. Even prior to the EU Cities Mission, they were developing projects together and meeting every two months, sharing tasks within their projects. The ecosystem contract implementation is reviewed in a steering group and in annual reviews between the city in question and Ministries.

The National Platform has a network structure and includes different formations driven by different approaches: top-down, bottom-up and horizontal mechanisms with various stakeholders. The **National Cities' Climate Mission Network** is led by core ministries (Ministry of Employment and the Economy - MEE, Ministry of Environment - MEV, Ministry of Transport and Communication - MTC) and coordinated by MEE. It includes the Finish Mission Cities (Espoo, Helsinki, Lahti, Lappeenranta, Tampere, and Turku) and other interested cities as well as other stakeholders representing regional councils, academia (universities), VTT (technological agency in Finland), and Climate Leadership Coalition (businesses). The Finnish National Network strives to bring different forms of support for climate neutral cities together, such as specified services for cities, including support from Business Finland (Innovation agency); Decarbonized Cities - program offering support from national level network (including cities, support structures, ministries) and support from procured specialist in co-creation (one-year project).

## **FRANCE**

In France, there is the **national Mirror Group** for the EU Cities Mission and Driving Urban Transition (DUT) partnership, which is in charge of the dialogue with Horizon Europe calls and the nine French Mission Cities: Dunkerque, Bordeaux Metropolis, Angers Loire Metropolis, Paris, Marseille, Grenoble-Alpes Metropolis, Nantes Metropolis, Lyon, and Dijon Metropolis. The Group is steered by two French Ministries - the Ministry of Ecological Transition and Territorial Cohesion and the Ministry of Higher Education and Research. It was set up in November 2021 to foster the involvement of French stakeholders in the new Horizon Europe calls for projects by disseminating information, enabling exchange between local authorities, research and innovation actors, experts and companies. It initially included the two ministries, the National Agency for Ecological Transition (ADEME), the National Research Agency (ANR), the National Agency for Territorial Cohesion (ANCT), the National Association for Research and Technology (ANRT), CEREMA, France Ville Durable, France Urbaine, and the PIN Ville of Gustave Eiffel University, which are very involved and active in leading the mirror group. The administration of the mirror group is organised in three different levels:

- A Board, including the entities officially involved in DUT or the Cities Mission (two ministries, ADEME, ANR, CEREMA, ANCT, France Urbaine and France Ville Durable). The Board is in charge of the animation of the Mirror Group, and of the coordination of the work carried out. The Board meets on a monthly basis.
- A Bureau, including regular but less involved partners such as the Plan Urbanisme Construction Architecture, the Caisse des Dépôts, the Fédération nationale des agences d'urbanisme, and the Association of 27 Regions. The Bureau meets as often as necessary, with a frequency of 3 to 4 times a year.
- A Stakeholder Committee, including all the actors who have attended events organised by the



Mirror Group. The Committee meets once a year.

The national Mirror Group offers an informal place for dialogue, knowledge exchange, thematic seminars and to some extent, operational support dedicated to all axes of Horizon Europe connected to urban challenges (Cities Mission, DUT partnership, New European Bauhaus, and others). All French urban territories are invited to participate. There is currently no financial support dedicated specifically to this platform.

### **GREECE**

In Greece, a cooperation among different municipalities (through the Central Union of Greek Municipalities - KEDE) and the Ministry of Environment and Energy has been formalised in February 2023 through a **Memorandum of Cooperation (MoC)** between the Ministry and 80 municipalities that are targeting climate neutrality and are committed to work towards this goal. More specifically, the MoC includes the General Secretariat of Spatial Planning and Urban Environment (of the Ministry of Environment and Energy), the six municipalities selected for the EU Cities Mission (Athens, Thessaloniki, Ioannina, Kalamata, Kozani, Trikala) as well as other municipalities in Greece that, through this cooperation, will be able to receive know-how, good practices, etc. What's more, the Greek Ministry of Digital Governance has invited seventeen large municipalities in Greece (Athens, Thessaloniki, Patra, Heraklion, Piraeus, Larissa, Volos, Peristeri, Rhodes, Ioannina, Chania, Acharnes, Nikaia-Agios Ioannis Rentis, Halkida, Kordelio-Evosmos, Kallithea and Trikala) to submit their strategic plans for their participation in the "SMart Cities" programme, which is budgeted from the Recovery Fund for 90 million euro. The programme aims to contribute to the digital transformation of Greece's cities through the development of new technologies and tools and addresses such areas as sustainable mobility, energy saving, retrofitting municipal buildings, and others.

### **SPAIN**

The Spanish National Platform is an initiative designed to support all Spanish cities (over 20,000 inhabitants) committed to achieve climate neutrality, including those selected by the EU Cities Mission. It helps cities to develop multi-stakeholder ecosystems aimed at the implementation of the Mission, facilitate spaces for dialogue and co-creation of initiatives and multi-city programs, align public policies and interconnect initiatives at different governments levels. In December 2019, Spain created five "mirror groups" to design and foster the implementation of the EU Missions in Spain. The "**Cities Mission Group**" was developed as a multi-stakeholder group to support the transformation of Spanish cities towards climate neutrality with an inclusive, sustainable, and just transition approach. The platform currently has 100 high-level members from the public sector (cities, ministries, regions, and agencies), private sector (mainly engineering, consulting, and legal firms), academia (universities and research centres), and civil society (NGOs and citizens' associations). At the heart of the platform, there are sixteen cities which are represented by counsellors or general directors and accounting for more than 9.3 million people. Those cities are Madrid, Barcelona, Valencia, Sevilla, Zaragoza, Murcia, Alicante, Valladolid, Vitoria-Gasteiz, Pamplona, Fuenlabrada, Logroño, Mataró, Avilés, Benidorm, and Soria (most of them submitted an Expression of Interest (Eoi) to the Mission). In September 2021, the Mayors of Barcelona, Madrid, Seville and Valencia signed together with the vice president for Ecological Transition an **agreement (pre-climate city contract)** to transform their cities and accelerate the energy and ecological transition before 2030. With the signing of the agreement they became the first Spanish cities committed to this transformation process from now until 2030 and they formally constituted the **ciTES 2030 group**. In December 2021, four additional cities (Zaragoza, Valladolid, Vitoria-Gasteiz, and Soria) signed the pre-contract.





## SWEDEN

In Sweden, there is a national platform called 'Viable Cities' which is organized as a national Strategic Innovation Program with a few different teams who are working on the development of new instruments for climate neutral and sustainable cities. The programme's mission is *climate neutral cities by 2030 with a good life for all within planetary boundaries*. The Viable Cities Team works on the development of Climate City Contracts together with Cities Development Team (23 cities) and Innovation Team from six Government Agencies (Swedish Energy Agency, Swedish Innovation Agency, Swedish Research Council for Sustainable Development, Swedish Agency for Economic Growth, Swedish Transport Administration, and Swedish Environmental Protection Agency) and facilitate the development of Swedish Climate City Contracts.

**National support structures for climate neutral cities that are currently being established: The Netherlands, Italy, Portugal, Romania**

## THE NETHERLANDS

In the Netherlands, the advice to establish national support structures is currently being debated by the seven Dutch Mission Cities (Amsterdam, Eindhoven & Helmond, Groningen, Rotterdam, The Hague, Utrecht) as well as other Dutch partners. If the decision is positive, the CapaCITIES national partners will collaborate with diverse partners in the Netherlands to set up the platform. During this collaboration, Platform31 and SIA will define roles of different stakeholders in the national platform.

## ITALY

In Italy, national coordination and support to the implementation of the Cities Mission is in the responsibility of the Ministry of University and Research (MUR), although other ministries are also involved in various support actions for the Mission. For this reason, the form of support envisaged from the MUR is the '**connection**' of existing initiatives and the information and guidance of all stakeholders towards new aligned implementation measures. To this end, a **Ministerial Working Group** has been established at MUR. The ambition is to also create an **Inter-ministerial Working Group** for coordinating support actions for the EU Missions that includes MUR, Ministry of Infrastructure, Ministry of Energy, and Ministry of Economic Development. This process is currently on hold due to recent elections and changes in the government.

## PORTUGAL

In Portugal, the National Agency for Innovation (ANI) started a process of creating a **Mission Hub Policy Group** for all five Horizon Europe Missions that involves relevant ministries in the respective area of action. In the case of the Cities Mission, the Mission Hub Policy Group is composed of public bodies that deal with the relevant policy instruments that support cities to become carbon neutral – policy areas of Environment and Climate Action, Energy, Mobility, Territory, Innovation, Research and Development. The way this Policy Group will engage other stakeholders is still to be defined.

## ROMANIA

In Romania, a **Mirror Mission Cities Hub Romania** (M100) was set up by the Ministry of Research, Innovation and Digitalization (MCID), and is hosted by UEFISCDI, with the aim to connect the national and regional authorities that work to support the Mission Cities implementation at national level. The target group of the platform is formed of the cities selected in the Mission, (Bucharest - wave 2, Cluj-Napoca, Suceava), as well as other entities, like key governmental actors, local administrations, other



candidate cities, universities, business organisations, associative structures (e.g. clusters, professional associations), and other civil society actors. The work of the M100 will be overseen by a **Steering Committee**, which will include a representative of each of the signatories of a **Memorandum of Understanding** (UEFISCDI, Ministry of Research, Innovation and Digitization, Ministry of Investment and European Projects, Ministry of Development, Public Works and Administration, Ministry of Environment, Water and Forests, the three municipalities of the selected cities in the CapaCITIES project).

### **Early-stage national support structures for climate neutral cities: Czech Republic, Hungary, Poland, Slovakia, Turkey**

Core Countries that belong to this group have indicated that the national support structures for climate neutral cities do not exist in their countries yet. However, when asked about the current developments, all countries shared activities that are being taken in order to establish national platforms.

#### **CZECH REPUBLIC**

In the Czech Republic, small **working groups** have been formed between relevant ministries and national agencies, including the Ministry of Regional Development, Ministry of the Environment, Ministry of Transportation, Ministry of Education, Youth and Sports, Ministry of Industry and Trade, Technological Agency, Academy of Sciences. All mentioned stakeholders are also members of the **Working Group on Smart Cities**, which is an official platform that consists from about 50 institutions from the national, regional, and local level, as well as research and private sector. The Group meets periodically (about 3 times per year) and discusses relevant issues regarding the implementation of smart solutions in the municipalities.

#### **HUNGARY**

In Hungary, the current support structure consists of governmental bodies who collaborate in the form of **an informal working group** and includes the Ministry of Energy, Ministry of Interior as well as national agencies NKFIH and EMI. Recent changes in the government structure complicate the process but also create new opportunities for collaboration.

#### **POLAND**

In Poland, the **informal alliance** of five Mission Cities (Kraków, Łódź, Warsaw, Wrocław, Rzeszów) is at the heart of the national support structures. In February 2023, the alliance initiated a meeting with the ministries to informally discuss the need of establishing the national platform for climate neutral cities in Poland. It was attended by representatives from four ministries: Ministry of Climate and Environment, Ministry of Funds and Regional Development, Ministry of Education and Science, and the National Centre for Research and Development. The outcome of this meeting was the establishment of a formal **Cities Working Group** that aims to meet on a regular basis. Also, the CapaCITIES national partners in Poland are initiating a dialogue with ministries to help them set up a mirror group at the ministerial level (**Ministerial Working Group**).

#### **SLOVAKIA**

In Slovakia, there is currently no entity in charge of coordinating climate neutrality efforts at national level. The CapaCITIES national partners **mapped relevant stakeholders** that should be involved in development of the Slovak national platform and started building connections and links to them. These include the Ministry of the Environment, Ministry of Economy, Union of Towns and Cities,



Climate Coalition, Association of Cities and Municipalities for Sustainable Energy Efficiency, cities with climate neutrality ambition (Bratislava, Kosice, and Nové Zámky).

## **TURKEY**

In Turkey, a **National Smart City Data Sharing Governance Platform** will be developed in the second half of 2023 under the “2020-2023 National Smart Cities Strategy and Action Plan”. The Platform will enable secure data exchange between the National Smart City Data Sharing Governance Platform and the Local Data Sharing Platforms. The CapaCITIES national partners in Turkey have also **mapped relevant stakeholders** that work with the climate neutrality target. These include the Ministry of Environment, Urbanization and Climate Change - The General Directorate of ILBANK, Scientific and Technological Research Council, Union of Municipalities.

For a more detailed analysis of the national support structures for climate neutral cities across the fifteen Core Countries and their multi-actor national ecosystems, please go to the ***D3.1 Mapping of governance actors and core elements in the Core Countries*** (CapaCITIES).

To learn more about the emerging national support structure across the EU, please see the ***D5.9 Mapping of national and regional city collaboration and support for Cities Mission implementation*** (NetZeroCities).





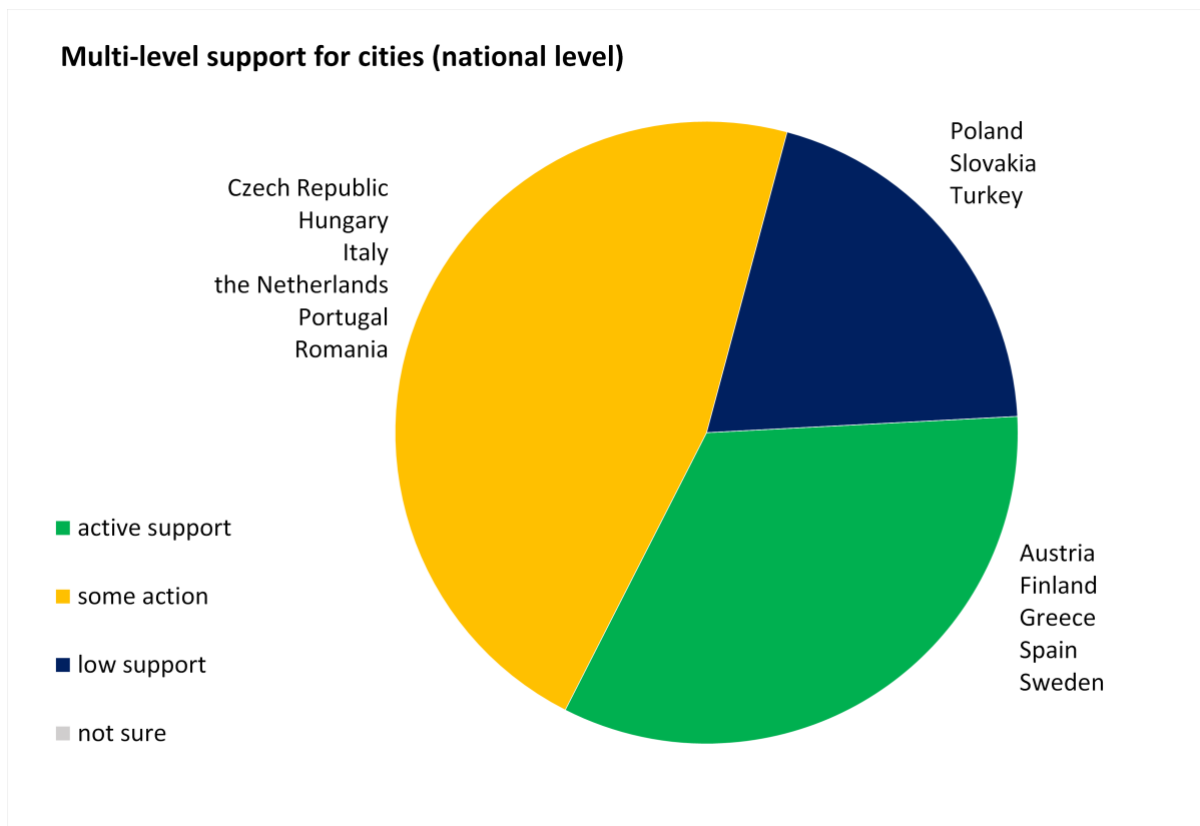
**Part B: Enabling and hindering factors for climate neutral cities**

**Level of support from the national and regional governments for climate neutral cities**

**B.1 How strong is the multi-level support for cities in your country at the national level to become climate neutral?**

Out of the fifteen Core Countries which handed in their self-assessments, five countries (Austria, Finland, Greece, Spain, and Sweden) indicated that their national governments actively support cities in reaching climate neutrality. Seven countries (Czech Republic, Hungary, Italy, The Netherlands, Portugal and Romania) answered that their national governments take some action to support cities in reaching climate neutrality. Three countries (Poland, Slovakia, and Turkey) said that the level of support for cities from their national governments is very low.

**Chart 2**

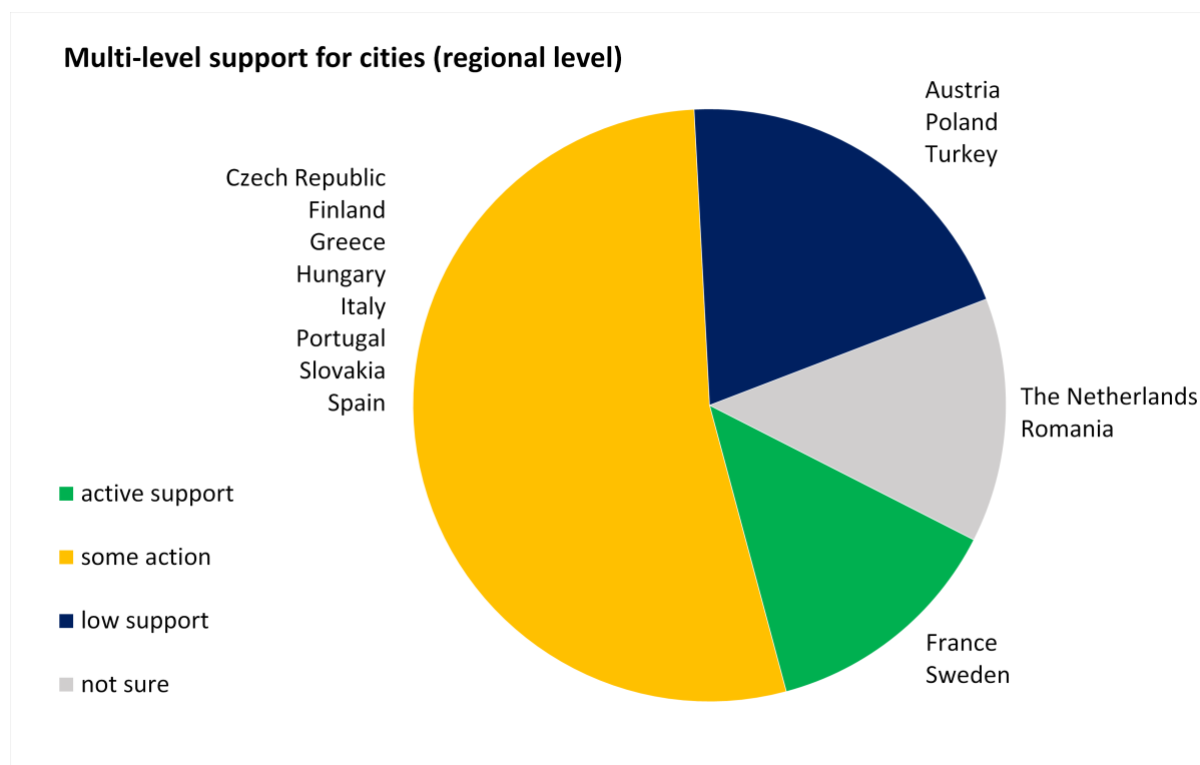


**B.2 How strong is the multi-level support for cities in your country at the regional level to become climate neutral?**

When it comes to the support from regional governments, only two Core Countries (France and Sweden) marked that they actively help cities in reaching climate neutrality. Eight countries (Czech

Republic, Finland, Greece, Hungary, Italy, Portugal, Slovakia, and Spain) indicated that the regional governments take some action to support cities in reaching climate neutrality. Three countries (Austria, Poland and Turkey) answered that the level of support from the regional governments is very low. Two countries (The Netherlands and Romania) chose the option “Not sure” and explained that either there are no regional governments in their national multi-level governance model or they play insignificant roles in supporting climate neutral cities.

Chart 3



**B.3 Please describe briefly the level of national and regional support for climate neutral cities in your country based on your answers in B.1 and B.2. For example, if the level of support is generally low, please explain why.**

When asked to describe the level of support of national and regional governments for climate neutral cities in more detail, the Core Countries reflected both on enabling and hindering factors. Among the enabling factors were:

- National climate targets and strategies, e.g. *National Integrated Energy and Climate Change Plan 2021-2030* (RO), *2nd National Climate Change Strategy* (HU);
- Ambitious climate targets translated into legislation, e.g. *New Climate Change Act* (FI);
- Sectoral schemes and instruments at the national level that cities benefit from, e.g. *Green Bus Programme* (HU), *Program for the energy transition in the built environment* (NL);
- National funding for climate action in cities, e.g. *National Recovery and Resilience Plan* (IT),

Business Finland’s Decarbonized Cities and Municipal Climate Change Solutions programme (FI);

- Multi-stakeholder collaboration and agreements, e.g. Klimaataakkoord (NL).

The key hindering factors indicated by the Core Countries were:

- Lack of formal climate neutrality target at the national level;
- Climate neutral cities as a target are not included in the national climate strategies and action plans;
- Dispersed and uncoordinated climate action;
- Lack of communication and knowledge exchange between different levels of governance;
- Lack of a centralised database including information about existing programmes and funds for cities.

### Key barriers for climate neutral cities

#### ***B.4 What are the key barriers for climate neutral cities in your country? You can select more than one answer.***

When asked about the key barriers for climate neutral cities, the most popular answer selected by nine countries was *Lack of national and regional financing and funding for climate neutrality* (AT, CZ, FI, GR, HU, NL, PT, SE, TU). The next most popular answer identified by seven countries was *Lack of multi-level governance framework* (IT, HU, NL, PL, SK, SE, TU).

The next most common answers marked by five countries were *Lack of the shared climate neutrality ambition at the local, regional and national level of government* (CZ, IT, HU, PL, RO) and *Lack of or hindering legal and regulatory framework* (AT, CZ, HU, PT, SE).

The next ones in line, indicated by four countries, were *Lack of national and regional programmes for technical assistance in cities* (CZ, GR, IT, PT) and *Lack of support for capacity development in cities* (AT, HU, PT, RO).

Other key barriers indicated by the Core Countries include *Lack of emission monitoring and reporting framework including reporting from the local level* (AT, GR, SE) and *Lack of or hindering national and regional climate policies and strategies* (AT, SK).

**Table 1**

	Key barriers	No. of countries	Countries
1	Lack of national and regional financing and funding for climate neutrality	9	AT, CZ, FI, GR, HU, NL, PT, SE, TU
2	Lack of multi-level governance framework	7	IT, HU, NL, PL, SK, SE, TU
3	Lack of shared climate neutrality ambition at the local, regional and national level of government	5	CZ, IT, HU, PL, RO
4	Lack of or hindering legal and regulatory framework	5	AT, CZ, HU, PT, SE

5	Lack of national and regional programmes for technical assistance in cities	4	CZ, GR, IT, PT
6	Lack of support for capacity development in cities	4	AT, HU, PT, RO
7	Lack of emission monitoring and reporting framework including reporting from the local level	3	AT, GR, SE
8	Lack of or hindering national and regional climate policies and strategies	2	AT, SK

***B.5 Please describe briefly the indicated key barriers and if possible, share links to relevant websites and documents.***

Some Core Countries (Czech Republic, Slovakia) indicated that there is no clear climate neutrality target at the national level which makes the implementation of climate action pretty difficult. However, the key barrier seems to be the lack of a coherent support system for cities from the national level (Hungary, the Netherlands, Poland, Romania, Turkey).

Poland dove deeper into this aspect, developing a whole list of obstacles raised by the local governments, like lack of identification of competencies in individual institutions and the scope of their responsibilities, insufficient networking and communication with ministries and marshal offices, very limited autonomy in terms of spatial planning, lack of a dedicated and transparent source of financing for the implementation of activities within the mission, lack of supporting national policy framework.

Romania flagged that the efforts towards climate neutrality are dispersed and uncoordinated which makes it difficult for cities to build an expertise for developing sound long-term and short-term climate strategies.

Hungary and Turkey also emphasised that the lack of dedicated funds for the implementation of local climate neutrality targets is a relevant barrier.

**Current national policy framework for climate neutral cities**

***B1.1 What are the key national policies in your country that refer to climate neutrality? Please describe them briefly, including the following aspects and if possible, share links to relevant websites and documents:***

- *What are the targets and the timeframes for implementation?*
- *What elements do they include?*
- *Are they strategies or laws? Are they legally binding?*
- *Do they include a concrete mechanism in case the promised actions were not delivered?*

Out of fifteen countries that handed in their self-assessments, five countries indicated that they had adopted legally binding Climate Change Laws (Finland, France, the Netherlands, Portugal, and Sweden). From our research, we know that such a law also exists in Spain, and included it in the table below.

**Table 2**

Country	Law	Targets
Finland	National Climate Act (2022)	Achieve carbon neutrality by 2035; 60% GHG emission reduction by 2030, 80% by 2040 and 90-95% by 2050 compared with a 1990 baseline.
France	Climate and Resilience Law (2021)	Increase number of train journeys by 17% by 2030 and 42% by 2050; Cycling to account for 9% of daily commutes by 2024 and 12% by 2030; A 15% reduction in nitrous oxide emissions by 2030 compared to 2015; A 13% reduction in ammonia emissions by 2030 compared to 2005; Carbon neutrality by 2050.
The Netherlands	Climate Act (2019)	CO2 neutral electricity production by 2050; 49% GHG emissions reduction by 2030 compared to 1990 levels; 95% GHG emissions reductions by 2050 compared to 1990 levels; Achieve carbon neutrality in the electricity sector by 2050; Reduce emissions by 49% by 2030 and 95% by 2050, compared with a 1990 baseline.
Portugal	Framework Climate Law (2021)	2035 is set as the reference date for the end of sales in Portugal of new light vehicles powered exclusively by fossil fuels; achieve climate neutrality by 2050 or 2045 if possible; 55% GHG emission reduction by 2030, 65-75% by 2040, 90% by 2050 compared with a 2005 baseline.
Spain	Law 7/2021 on climate change and energy transition (2021)	Reduce emissions by at least 55% by 2030, relative to 1990 ; Improve energy efficiency by 39.5% relative to baseline of community regulations; Achieve 42% renewables in final energy consumption and 74% renewable electricity generation ;

		Renewable energy sources should account for 74% of energy mix by 2030; Carbon neutrality by 2050.
Sweden	Climate Act (2018)	Reduce emissions from domestic transport, excluding domestic aviation, by at least 70% by 2030 compared with a 1990 baseline; Reduce emissions from sectors covered by the EU Effort Sharing Regulation by at least 63% by 2030 and at least 75% by 2040 compared with a 1990 baseline.

The remaining nine Core Countries indicated key climate policies, plans and strategies that shape climate policy frameworks in their countries. All of them were mapped in a [separate document](#).

***B1.2 Do the policies described above include specific sections focused on local governments? Please describe briefly the key messages included in these sections.***

Out of fifteen countries that handed in their self-assessments, nine countries (Czech Republic, Finland, France, Hungary, Italy, the Netherlands, Portugal, Slovakia, and Turkey) indicated that the national policies include specific sections focused on local governments. However, the contexts in which local governments were mentioned differ significantly. The National Energy and Climate Plan 2021-2030 (Czech Republic) refers to local governments in the context of **energy communities**. The New Climate Change Act makes it **obligatory for cities to prepare their Climate Plans**, which outline the objectives and actions towards GHG emission reduction (Finland). The Second Climate Change Strategy together with its Action Plans (Hungary) emphasises the important role of local governments in the **implementation** of the strategy’s goals and in the cooperation mechanism supporting the implementation. The objectives included in these documents will mostly affect cities indirectly through the implementation of **transport development, energy efficiency measures**, and good **mitigation** and **adaptation** practices. Recovery and ecological transition contracts, CRTE (France) attempts to move from the top-down and fragmented logic (calls for projects) to a **partnership logic** and is profoundly renewing relations between the national and local authorities. The National Integrated Plan for Energy and Climate (Italy) speaks about local governments in the context of **careful governance** that should enable coordinated implementation of the Plan and ensure unity of action, as well as in the context of **simplification of authorization procedures**. In Klimaatakkoord “Climate agreement” 2019 (the Netherlands), the municipalities are explicitly positioned to have a directive function. They are to **coordinate the local efforts to become climate neutral**, although this mainly relates to lowering GHG emissions and insulating buildings – not becoming fully climate neutral. In the Portuguese Law of Basis for Climate, all municipalities must define a **Municipal Plan on Climate Action** and the regional commissions must define a **Regional Plan on Climate Action**. In Slovak national strategies, local governments were mentioned in a definition of **relations and**

**responsibilities between different actors.** And finally, in the Turkish Smart Cities Strategy and Action Plan, local authorities are given **direction** on how to become a smart and sustainable city.

Two countries (Austria and Romania) responded that the national policies do not include specific sections focused on local governments. Four countries (Greece, Poland, the Netherlands, and Sweden) did not provide any information in this section.

***B1.3 Do the policies described above include specific sections on financial support for cities to achieve climate neutrality? Please briefly describe the key messages included in these sections.***

Out of fifteen countries that filled out their self-assessments, four countries (Czech Republic, Finland, Italy and Portugal) said that the national policies include specific sections on financial support for cities to achieve climate neutrality. For instance, in Finland government grants will be awarded to municipalities for the preparation of the climate plans. The Government has decided to allocate EUR 2,631 million per year for the preparation of climate plans in municipalities. Five countries (Austria, Hungary, Romania, the Netherlands and Slovakia) indicated that the national policies do not include any specific sections on financial support for climate neutral cities. Six countries (Greece, Hungary, Poland, Spain, Sweden and Turkey) did not provide any information in this section.

***B1.4 Is there any other form of national / regional support for cities to reach climate neutrality? Please describe them briefly.***

Out of fifteen countries that filled out their self-assessments, six countries (Austria, Finland, France, Hungary, Italy, and Turkey) indicated that there are other forms of national and/or regional support for cities to reach climate neutrality. For instance, in Finland there is a large number of investment and planning support available for various more focused themes/issues related to climate policy; e.g. support for increasing energy efficiency in buildings, giving up heating with oil, setting up charging infrastructure for cars, etc. Four countries (Romania, the Netherlands, Slovakia, and Spain) responded that there are no other forms of support for climate neutral cities. Five countries (Czech Republic, Greece, Poland, Portugal, and Sweden) did not provide any information in this section. The other forms of support identified by the four Core Countries will be further explored in the next iteration of the self-assessment exercise.

**Quantitative impact measurement and GHG reporting for climate neutral cities**

***B2.1 Who is collecting the national GHG data in your country?***

Most Core Countries were able to identify national level institutions responsible for collecting the national GHG data in their countries.

**Table 3**

<b>Country</b>	<b>Institution</b>
Austria	Environment Agency Austria
Czech Republic	Czech Hydro-meteorological Institute (CHMI) under the Ministry of Environment;
Finland	Statistics Finland;
France	Interprofessional Technical Centre for Air Pollution Studies (CITEPA) under the Ministry for the Energy Transition;



	ADEME - a public industrial and commercial establishment under the supervision of the Ministry for an Ecological Transition and Territorial Cohesion, Ministry for the Energy Transition and the Ministry for Higher Education and Research.;
Greece	N/A
Hungary	Hungarian Meteorological Service (OMSZ);  For LULUCF: National Land Centre, Forest Research Institute of the University of Sopron, National Food Chain Safety Office;  Others: Hungarian Central Statistical Office, the Hungarian Energy and Public Utility Regulatory Authority, and the Institute of Agricultural Economics Nonprofit;
Italy	Ministry for the Environment and Energy Security (MASE), supported by the Institute for Environmental Protection and Research (ISPRA), a technical agency of the Ministry;
The Netherlands	Rijksinstituut voor Volksgezondheid en Milieu (RIVM);
Poland	National Centre for Emissions Management (KOBiZE);
Portugal	Portuguese Environment Agency (APA);
Romania	National Agency for Environment Protection under the coordination of the Ministry for Environment, Water and Forests;  Romanian National Statistical Institute;
Slovakia	Department of Emissions and Biofuels (OEaB) of the Slovak Hydro-meteorological Institute (SHMU);
Spain	Contract with a private company – more information will follow;
Sweden	Swedish Environment Protection Agency;
Turkey	Ministry of Environment and Urbanization.

## ***B2.2 How are the local governments' emission reductions included in the national GHG monitoring and reporting framework?***

Most Core Countries had problems to provide a conclusive answer to this question and shed light on how local governments' emission reductions are included in the national GHG monitoring and reporting framework (Czech Republic, Greece, Italy, the Netherlands, Poland, Portugal, Slovakia, Sweden, and Turkey). Four countries (Austria, Hungary, Spain, and Romania) indicated that the emission reductions in cities are not included in the national GHG framework so far.

In Finland, the Finnish Environment Institute (SYKE) has developed a national monitoring system and is committed to collect and maintain regional and local GHG data for all the regions and municipalities in Finland. All the data to this system comes automatically from the same sources as used by the Statistics Finland, i.e. the municipalities themselves do not need to input any data to this system.

In France, it is mandatory for local and regional governments with more than 50.000 inhabitants to deliver a GHG emission report (BEGES) every three years. This process is supported by the regional



energy and environment agencies and observatories, which are public structures in charge of monitoring and evaluating various energy and climate initiatives. While they provide reliable data on GHG emission in different regions, the collected data is not comparable from one region to another due to different methodologies used by different observatories. This issue has been addressed and the alignment efforts are ongoing. The collected data is not included in the national GHG monitoring and reporting framework. What is more, the Interprofessional Technical Centre for Air Pollution Studies (CITEPA) does some work around formalisation of Localised Greenhouse Gas Inventory (IGT). The intent is to provide informed recommendations about the territorial emission reduction, however without seeking the level of precision of the inventory work carried out locally, for example, by the Regional Energy Observatories.

In Hungary, the local governments conduct a one-off survey of the most significant emitters when preparing their local climate strategy, but this data is not included in the national GHG monitoring and reporting framework.

In Romania, the National Agency collects data through its county-level agencies for environment protection in 42 counties. There is a mechanism to monitor and control GHG in place called the National System for Reporting Policies and Measures and for Reporting Greenhouse Gas Emissions and Removals Projections (NSPMPEGES). However, there are no indicators that the local authorities' emission reductions are included in the national GHG monitoring and reporting framework.

### **B2.3 How do national or regional governments support reporting platforms for cities, like *MyCovenant* or *CDP-ICLEI Track*, if at all?**

Eight Core Countries (Czech Republic, Hungary, the Netherlands, Poland, Romania, Slovakia, Spain, and Turkey) answered that to the best of their knowledge there is no support from the national or regional governments for cities to report their emission reductions on the reporting platforms like *MyCovenant* or *CDP-ICLEI Track*. Five countries (Austria, France, Greece, Portugal, and Sweden) did not provide any information about this point.

In Finland, municipalities can use of the national SYKE system, but there is no targeted national or regional support for these purposes. There is also no need in supporting external monitoring and reporting platforms for cities.

The Italian CapaCITIES partners indicated that in Italy the Institute for Environmental Protection and Research collaborates with local authorities to assess their participation in the Covenant of Mayors. It has also been noted that there is some specific process in place aimed at establishing the national expert panels in order to improve the GHG inventory, in particular in road transport, land use change and forestry and energy sectors. These expert panels would involve on a voluntary basis different institutions, local agencies and industrial associations cooperating to improve activity data and emission factors accuracy.

### **B2.4 How do the national or regional governments support cities in GHG reporting, if at all?**

Six Core Countries (Austria, Poland, Romania, Slovakia, Spain, and Turkey) indicated that the national and regional governments do not support cities in GHG reporting in their countries. Six countries (Austria, Greece, Italy, the Netherlands, Portugal, and Sweden) did not provide any information about this aspect.

The CapaCITIES national partners from the Czech Republic indicated that even though there is no big support for cities or regions in GHG reporting, there is a growing interest and some cities and companies collect and report data themselves.

In Finland, the national reporting SYKE system provides a lot of support for cities.

In France, the regional energy and environment agencies and observatories are supported by the regional councils and by the state through the regional directorates of ADEME.

In Hungary, there is some support from the national and regional level in developing county and settlement strategies, which include a one-time GHG measurement across largest emitters.

***B2.5 How do cities in your country collect GHG data? Do they collect their own data or use the aggregated national data?***

The quite common practice is that cities do not collect their own GHG data but use the aggregated national data and statistical data (Czech Republic, Hungary, and Poland). Although it might differ from city to city, which in some cases have detailed GHG bottom-up inventories (Finland, Slovakia, Spain).

In Austria, some data is collected by the cities, some is held by energy or mobility providers. Some sections of the CO<sub>2</sub> monitoring in cities is based on aggregated national data.

In Finland, there are several ways cities collect GHG data. Some use Finnish Environment Institute data, some use very similar data system but with slight differences; e.g. the city of Espoo makes use of the database collected and maintained by HSY, which is a joint municipal company in charge of water and waste management in the Helsinki metropolitan area, also calculating green area gas emissions in the area and promoting the achievement of the region's climate goals.

In France, when it comes to the territorial GHG emission, the regional energy and environment agencies and observatories can provide regions/territories with energy profiles and GHG emission data. This data allows them to define their air-energy-climate strategies and to monitor the implementation. When it comes to the community GHG emissions that concern the assets and/or competencies exercised by the local authority, they were not included in the local GHG reports until recently. However, according to the decree of the Minister for Energy Transition from July 2022, it is mandatory to account for and report all significant indirect emissions, including so called "scope 3" emissions. This data is collected by the local authorities, following a national method that is freely available and that sets out both the mandatory methodological principles in the context of the application of Article L.229-25 of the Environmental Code and optional recommendations. It must be kept in mind that cities raised many concerns about preparing such a report, including difficult access to data, a complicated and time-consuming process that may require specific technical knowledge, lack of human or financial resources to be dedicated.

In Romania, cities collect their own GHG data through the County Agencies of Environmental Protection. The agencies monitor and collect GHG data through a network of sensors and stations. There are 2 types of such tools: stations located inside cities and stations located in areas with high risk of pollution – such as factories, chemical plants, refineries, and others). The stations monitor and collect data every 24 h and submit local reports to the County Agency and city authorities. Later on, a more detailed report is submitted by each County Agency to the National Agency. In general, all cities are required to have such stations installed to monitor and collect GHG data. Every area where there is a risk for air pollution is monitored by such stations (even if it is located outside city limits/area). All major companies are required by law to have such stations located in their premises, stations that are connected to the national network of air monitoring.



The remaining Core Countries (Greece, Italy, the Netherlands, Portugal, Sweden and Turkey) did not provide any information on this aspect.

**B2.6 How do the national and regional governments support cities with GHG data collection and data access, if at all?**

In terms of the support for cities with the GHG data collection and data access, the role of the national and regional governments seems to be mostly limited to such activities as providing guidance and technical assistance on how to collect and report GHG data and prepare local climate strategies (Czech Republic, Hungary), sharing the national data with cities (Finland, Poland) and aligning the national law with the EU standards (Romania).

In Austria, there is no support so far. However, the Ministry has now commissioned the Environment Agency Austria to develop a CO2 accounting and monitoring method based on existing methods in the large pioneer cities.

**Current financial and financing support for climate neutral cities**

**B3.1 How would you evaluate the financial (eg. state aid, financial programmes, tax transfer) and financing support (eg. investment facilities, guarantees, funds) that local governments receive from the national level?**

**High**

- tax transfers are directly linked to climate neutrality objectives and financial programmes are directed to support cities’ climate-neutrality programmes;
- an advisory body or agency at national level is responsible to actively support cities and regions in developing and financing climate neutrality projects;
- national investment banks have established technical assistance programmes and financing facilities for climate-neutral cities;
- the national government supports piloting of innovative financing instruments to support climate-neutral cities.

**Medium**

- national investment banks have established financing facilities for climate-neutral cities;
- an advisory body or agency at national level is responsible to support cities and regions in developing and financing climate neutrality projects upon request;

Core Country	National level body / programme	Type	Role
Austria	N/A	N/A	N/A

- an advisory body or agency at national level supports cities and regions in accessing EU funds supporting climate-neutrality.

**Low**

- national investment banks have established financing facilities for climate-neutral cities;

Czech Republic	Operational Programme Environment	Redistribution fund	OPE is the basic subsidy programme in the field of environmental protection in the Czech Republic. In its 3rd programming period, 2021-2027, it will provide the Czech Republic with 2.4 billion EUR from the Cohesion Fund and the European Regional Development Fund to applicants, including municipalities, organisations, state and local governments, research and scientific institutes, educational establishments, legal and physical entities and non-profit organisations. The Programme aims to support projects related to energy savings, the development of renewable energy sources, the building of water infrastructure and waste prevention, as well as projects to strengthen biodiversity and implement climate change adaptation measures.
	Czech National Development Bank	Development bank	The bank is a specialised state-owned banking institution aimed at contributing to sustainable economic development of the Czech Republic.
Finland	N/A	N/A	N/A
France	Green Fund		More information will follow.
	France 2030		Created in 2010, the Investments for the Future programme (PIA) aims to stimulate employment, boost productivity and increase the competitiveness of French businesses by encouraging investment and innovation in priority sectors to drive growth.  The France 2030 programme, launched in 2021, continues the commitments of the PIAs and has a budget of €54 billion, including €20 billion from PIA 4.
	Banque des Territoires	Investment bank	Banque des Territoires provides made-to-measure advice and financing solutions for loans and investments to meet the needs of local authorities, social housing associations, local public enterprises and legal professionals. It is aimed at all French regions, from rural areas to large cities, with the objective of eliminating social and regional inequalities. Banque des Territoires is represented by 16 regional offices and 35 local branches.
Greece	N/A	N/A	N/A
Hungary	None	None	None
Italy	N/A	N/A	N/A
The Netherlands	Netherlands Enterprise Agency	Redistribution and information institution	The Agency helps entrepreneurs and organisations to invest, develop and expand their businesses and projects. Both in the Netherlands and abroad. It is a government agency which is part of the Dutch Ministry of Economic Affairs and Climate Policy. It supports entrepreneurs, NGOs, knowledge institutes, policymakers and organisations. It improves collaborations and strengthens positions through funding and networking.
Poland	National Fund for	Redistribution	The Fund is an important tool for implementing environmental

	Environmental Protection and Water Management	and investment fund	policy in Poland. It offers loans, grants and other forms of subsidies for projects implemented by local governments, businesses, public entities, social organizations, individuals and others. In the public finance sector, the National Fund is also Poland's largest partner of international financial institutions in handling foreign funds for environmental protection.
	National Contact Point for Horizon Europe	Information institution	NCP supports the participation of Polish research organisations, enterprises and other institutions in the EU Framework Programme for Research and Innovation Horizon Europe. It widespread information about announced calls for proposals within Horizon Europe programme, organizes Info Days, seminars, conferences, prepares statistics, publications, all kinds of documents and opinions regarding HE.
Portugal	National Investment Programme 2030	Investment programme	Investments will focus on transport and energy with a total of €21.7 billion earmarked for transport projects and €13 billion directed towards clean energy projects largely centered around hydrogen production.
	The Environmental Fund	Redistribution fund	The Fund supports environmental policies in pursuit of sustainable development goals, national and international commitments, and in particular those related to climate change, water resources, waste, nature conservation, biodiversity and transition to the circular economy.
	Portugal 2030	Redistribution fund	It puts into practice the Partnership Agreement between Portugal and the European Commission to apply 23 billion euros of European funds in projects that stimulate and develop the Portuguese economy, between 2021 and 2027. The total amount available to finance projects will be distributed through programs, organized by themes and regions. Municipalities can apply to obtain support. The priorities of the regional programs include climate action, energy, and mobility.
	Carbon budgets		A new policy instrument, which establishes new national targets for shorter periods every 5 years (aligned with the other existing instruments). The carbon budgets for 2023-2025 and for 2025-2030 have to be defined until February 2023, but they are still under preparation.
Romania	None	None	None
Slovakia	N/A	N/A	N/A
Spain	N/A	N/A	N/A
Sweden	N/A	N/A	N/A
Turkey	İLBANK	Development and investment bank (state-owned)	İLBANK is a state-owned development and investment bank in Turkey. It is subordinated to the Ministry of Environment and Urban Planning.

- an advisory body or agency at national level supports cities and regions in accessing EU funds supporting climate-neutrality.

## None

- no financial programme or other support for cities' climate-neutrality programme is available at national level;
- upon request, a national focal point provides advice on EU funding programmes.

The most popular answer indicated by six countries (Czech Republic, Finland, Hungary, The Netherlands, Poland, and Turkey) was that the overall financial and financing support is "Low". Three countries (Italy, Romania, and Slovakia) responded "None". Two countries (Austria and Spain) shared that the financial support for climate neutral cities from the national level is "Medium" and one country (Sweden) said "High". Unfortunately, both countries did not provide any further clarification. Three countries (France, Greece, and Portugal) did not provide any answer to this question.

The proposed categorisation (High, Medium, Low, None) turned out to be complicated to apply for some Core Countries. Instead, they provided additional clarification of the current state of financial support for climate neutral cities in their countries. For example, France commented that the state support for climate neutral cities is significant and referred to the following tools: Contract for Recovery and Ecological Transition (CRTE), Green Fund, Banque des territoires (issuing loans, call for projects), call for projects under ADEME, call for projects at the regional scale, and the EU Just Transition Fund. In the Czech Republic the overall financial support for cities is low, however, the national investment banks have established technical assistance programmes and financing facilities for climate neutral cities. The Czech National Development Bank also uses the ELENA grants to support the EPC projects. In Slovakia, even though there is a Recovery Plan, Repower EU and other financial resources dedicated to green transformation, some of them are useless to cities due to their unrealistic conditions and other barriers that municipalities are facing.

***B3.2 If there is a national level body mandated to support cities in attracting and using capital for climate neutrality in your country, please briefly describe its role, competencies and assess its relevance for cities.***

Two countries (Hungary and Romania) responded that there are no such bodies in their countries and six countries (Finland, Greece, Italy, Slovakia, Spain, and Sweden) did not provide any answer at all. The remaining Core Countries identified the following national level institutions and programmes:

Table 4

***B3.3 What financial resources are allocated to local governments specifically to finance climate neutrality projects?***

- % of annual national budget directly devoted to climate neutral projects in cities
- total amount (in million €)
- if a national / regional financing plan / programme is forthcoming, please describe it briefly





None of the Core Countries provided a clear answer on what financial resources are allocated to local governments for the climate neutrality projects. Eight countries (Austria, Finland, Greece, Italy, Romania, Slovakia, Spain, and Sweden) did not provide any answer to this question. The remaining countries addressed the question in a general way, providing rather fragmented information on financing for climate action in their national contexts.

The Czech Republic provided a general overview of the EU funds allocated towards climate neutrality target in the country, including:

- European Structural and Investment Fund (ESIF): 25% which is approx. 139 billion CZK (5.9 billion EUR)
- National Recovery Plan: 41,6% which is approx. 76 billion CZK (3.2 billion EUR)
- Just Transition Fund: 100%
- Modernisation Fund: 100% which is approx. 150-500 billion CZK, depending on the price of emission allowances (6.4-21.1 billion EUR)
- Innovation Fund: 100%

In Hungary, there is no specific financial support allocated to local governments to finance climate neutrality projects. However, the national level funds available to municipalities can indirectly support the climate neutrality target. Some of these funds come from the European Union (e.g. operational programmes, LIFE programme), and some come from the sale of the domestic CO<sub>2</sub> quota (e.g. fund “Energy and climate policy modernisation system” in the central budget). Hungarian cities can also indirectly benefit from the investments and projects financed from the EU Just Transition Fund in three regions (Borsod-Abaúj-Zemplén, Heves, and Baranya). The EU funds were granted to alleviate socio-economic costs triggered by climate transition and support economic diversification. This means backing productive investments in small and medium-sized enterprises, the creation of new firms, research and innovation, environmental rehabilitation, clean energy, up- and reskilling of workers, job-search assistance and active inclusion of jobseekers programmes, as well as the transformation of existing carbon-intensive installations when these investments lead to substantial emission cuts and job protection.

In the Netherlands, no financial resources seem to be currently allocated for urban climate neutrality projects. For now, it remains unclear when the national government will free up funds.

In Poland, most of the financial support for climate neutrality comes from the EU resources. At the national level, the National Fund for Environmental Protection and Water Management has sixteen Provincial Funds which have funds earmarked for the regions and often provide training on how to benefit from different programmes and what the funds can be used for.

In Turkey, there is the “Sustainable Cities Project- II” whose budget is unknown. Previously, the World Bank financed a similar project called the Municipal Services Project (BHP) through ILBANK. So far, BHP has successfully financed eleven participating municipalities and two water utilities in three specific areas: water supply, wastewater and solid waste investments. In this regard, SCPs I and II will be next-generation operations that will focus more heavily on urban planning systems, recognizing the importance of urban planning for the sustainability of Turkish cities.

***B3.4 What types of climate finance instruments implemented in cities or regions are supported by the national / regional government and how? In your answer, please refer to some of the following finance instruments: green or sustainable bonds / local tax levies / regional or local funds / PPPs /***

***climate insurance instruments / debt financing / private lending.***

Unfortunately, none of the Core Countries was able to provide an answer to this question at this stage. This aspect will be further explored in the second iteration of the self-assessment exercise.

***B3.5 Is there a national climate fund supporting climate neutral cities in your country? If so, please describe briefly how it works, including the following aspects:***

- Overall yearly budget: in €
- Type of support: PDA; Guarantee fund; DRR fund; Climate neutrality fund;
- Type of financing: revolving fund; PPP (public-private partnership); debt swap; fiscal incentive etc.
- Financing mechanism: loan; grant; equity etc.

Only one country (France) indicated that it has a national level fund supporting climate neutral cities - a Green Fund. However, it seems like there is also a National Fund for Environmental Protection and Water Management in Poland. Five countries (Austria, Hungary, the Netherlands, Romania, and Turkey) responded that to their knowledge there are no national funds supporting climate neutral cities. Four countries (Greece, Italy, Slovakia, and Spain) did not provide any answer.

***Part C: Support from CapaCITIES***

***C.1 What type of support would you like to get from the CapaCITIES consortium?***

The Core Countries highlight support through the exchange of best practices, information and feedback. Many answers are focused on the development of the national platform, e.g. the design of the platform (Poland), how to integrate stakeholder in the process of building it (Poland) or how to get and integrate national support (Slovakia). A further focus of interest and support offer by the Core Countries is how to advance national (and international) structures (Turkey, Sweden, Finland, Austria), e.g., regarding the involvement of research, business and industry partners (Austria) or how to build upon knowledge generated by other platforms as Viable Cities in Sweden (Spain). Further governance questions involve information exchange on how to create networks of universities to support the mission activities and plans based upon existing agreements with cities (Spain), materials regarding the implementation of multistakeholder governance groups in the innovation arena of the Mission (Spain) or different models of governance structures (Poland). Exchange on experimental spaces is of further interest (Austria).

Good practices around the Mission cities are helpful for authorities/ cities to learn what kind of measures they can take or how to build up capacity and expertise or how to advance (Romania, Italy). The role of communication and public relation regarding successful coordination of city networks is of further interest (Austria). Core Countries are also looking for tools and training materials for cities and how to make them available (Portugal). The same applies to an exchange with countries facing similar obstacles (Slovakia).

Furthermore, the Core Countries are asking in more general terms for an exchange on



countries’ learning frameworks and international knowledge exchange (the Netherlands) while a specific topic are methodologies such as the transition lab process/ living labs (Portugal, Italy).

Other requests circle around examples of other countries’ CO2 monitoring or accounting frameworks (the Netherlands, Austria), a working group on energy communities (Italy) and exchange/information on national funding structures (Austria) or foreign good practices or professional advice for the domestic adaptation of foreign financial and planning policy practices (Hungary).

***C.2 The CapaCITIES consortium will offer capacity-building training. What topics would you like to learn more about in order to advance the national platform for climate neutral cities in your country? You can select more than one answer.***

Out of 10 possible fixed options “Innovative financing instruments (e.g. revolving funds, SPVs)” was chosen by most countries – 12 in total (Austria, Czech Republic, France, Finland, Greece, Hungary, Poland, Romania, Slovakia, Spain, Sweden, Turkey). 2<sup>nd</sup> most mentioned was “Innovative multi-level governance approaches (e.g. Climate City Contracts, Local Green Deals)” (Austria, Finland, France, Greece, Hungary, Italy, Poland, Portugal, Romania, Spain) and “Guidance in how to access funding (e.g. EU initiatives, leveraging taxonomy, private funding)” (Austria, Finland, Czech Republic, France, Greece, Hungary, Poland, Slovakia, Sweden, Turkey). The following options were chosen by 9 countries each: “Good practices in climate reporting (e.g. reporting platforms, supportive national reporting Frameworks)” (Austria, Czech Republic, France, Greece, Hungary, Poland, Slovakia, Sweden, Turkey) and “Good practices from other countries on how to build / advance national platforms for climate neutral cities” (Austria, Czech Republic, Finland, Greece, Italy, Romania, Slovakia, Turkey). Still some countries chose “Good practices on integrated planning (e.g. SECAPs, Urban Greening Plans)” (Czech Republic, Finland, Hungary, Poland, Romania, Slovakia, Sweden, Turkey) and “Guidance in how to connect with the EU level initiatives and partnerships (e.g. NetZeRoCities, Driving Urban Transitions, other EU Missions - in particular the EU Mission on Climate Adaptation, EU Covenant of Mayors, EU Climate Pact, New European Bauhaus, Smart City Market Place, NetworkNature)” (Finland, France, Greece, Hungary, Poland, Slovakia, Spain). Few responses focused on “Guidance in how to engage stakeholders” (France, Poland, Portugal, Romania, Spain, Sweden), “Guidance in how to access services” (Finland, Portugal, Romania, Slovakia, Turkey) and “Guidance in standards and certification schemes (development, application)” (Greece, Poland, Slovakia). Finland added to focus on best practices from other countries mission cities in emission reductions. (With the Netherlands to complete after their meeting.)

**Table 5**

	<b>Key capacity building</b>	<b>No. of countries</b>	<b>Countries</b>
1	Innovative financing instruments (e.g. revolving funds, SPVs)	12	AT, CZ, FI, FR, GR, HU, PL, RO, SK, ES, SE, TU
2	Innovative multi-level governance approaches (e.g. Climate City Contracts, Local Green Deals)	10	AT, FI, FR, GR, HU, IT, PL, PT, RO, ES

3	Guidance in how to access funding (e.g. EU initiatives, leveraging taxonomy, private funding)	10	AT, FI, CZ, FR, GR, HU, PL, SK, SE, TU
4	Good practices in climate reporting (e.g. reporting platforms, supportive national reporting frameworks)	9	AT, CZ, FR, GR, HU, PL, SK, SE, TU
5	Good practices from other countries on how to build / advance national platforms for climate neutral cities	9	AT, CZ, FI, GR, IT, PL, RO, SK, TU
6	Good practices on integrated planning (e.g. SECAPs, Urban Greening Plans)	8	CZ, FI, HU, PL, RO, SK, SE, TU
7	Guidance in how to connect with the EU level initiatives and partnerships (e.g. NetZeroCities, Driving Urban Transitions, other EU Missions - in particular the EU Mission on Climate Adaptation, EU Covenant of Mayors, EU Climate Pact, New European Bauhaus, Smart City Market Place, NetworkNature)	7	FI, FR, GR, HU, PL, SK, ES
8	Guidance in how to engage stakeholders	6	FR, PL, PO, RO, ES, SE
9	Guidance in how to access services	5	FI, PO, RO, SK, TU
10	Guidance in standards and certification schemes (development, application)	3	GR, PL, SL
11	Others (What others? Please specify below.) - Best practices from other countries mission cities in emission reductions	1	FI

***C.3 The CapaCITIES consortium will provide you with training materials on quantitative impact measurement and reporting for climate neutral cities. What would be most helpful for you in regard to this topic?***

In regard to this question, the Core Countries were interested in details on a framework development, guidance on how to obtain and collect data with what indicators (Slovakia, Romania, Poland, Hungary) and good practices from other countries (Turkey). In the case of France, the question is how to merge the different existing reporting frameworks to one reporting tool and ease the process for local authorities. This also includes a smooth communication on the “co-benefits” of climate neutrality (better life quality, health, less pollution). To work on a state of the art of decarbonization at national level and to involve all relevant stakeholders in the process as well as how to reconcile adaptation and mitigation through robust and resilient tools in all respects is of further interest. Finland expressed no current need for this exercise since each city has their own calculations when it comes to emissions reductions. The impact of climate work to city vitality however (attracting

businesses etc) would be interesting. Sweden proposed to organize a few CapaCities Transition Lab Forum for interactive learning and supporting the joint work on innovative development of transformative actions.

The Netherlands will wait for feedback of the Dutch Mission cities.

***C.4 What is your ambition for the next 2 years? What are your hopes and expectations in regard to the development of the national platform for the climate neutral cities in your country?***

**TURKEY**

Actions are focussed on identifying best practices, creating synergies between national and EU-level strategies and intervention portfolios and promoting the Mission. Next meetings planned are the National Advisory Group Meeting, national roundtable meetings and workshops to identify needs, interests and common topics. The aim is to develop strong alliances with stakeholder groups and networks. A **new legislation** is being prepared by the Ministry of Environment, Urbanisation and Climate Change about "Climate Change Act" that may also effect cities at local level.

**SWEDEN**

CapaCities should help that few countries be able to establish national structure for development of Climate City Contract and new activities for easier transition to a Climate Neutral Society.

**SPAIN**

The ambition is to systematize the creation of the platform for inspiring other countries in the consortium in collaboration with other pioneer initiatives such as Viable Cities in Sweden. They want to experiment different innovative practices in the innovation arena of the Spanish platform and foster the collaboration between the cities and the universities.

**SLOVAKIA**

The aim is to get support from the national government which is difficult because the political situation is currently not stable, hence it is difficult to identify the right counterparts.

**ROMANIA**

There are two foci regarding the platform: To build and enable the national platform so it will support cities on their way to climate neutrality and on the other side, to use the national platform as an interface to foster international collaboration.

**PORTUGAL**

The goal is to identify needs, measures, and intervention portfolios through the dialogue between cities, government organizations and other relevant stakeholders aiming at the creation of a governance structure based on the inputs of all stakeholders.

**POLAND**

The ambition is to help design an effective national platform that is acknowledged as a sufficient and useful mechanism. In general they want to help establish an ongoing, periodic dialog between cities, ministries, regional governments and key local stakeholders. This includes helping the Cities Working Group and the Ministries Working Group to become an active and vocal body. One element will be a Round table on climate neutrality in Poland (CapaCITIES National Event) for all key stakeholders.

**THE NETHERLANDS**



Focus is the development of a support framework of Mission cities' activities. This includes connecting Dutch Mission cities and the international community and strategy for comparing Dutch experiences to ones of other Mission cities.

### **ITALY**

Coordinating and aligning ongoing national activities, connecting with the selected cities (monitoring exercise and needs assessment) and the building of capacities (through the design of a multilevel governance model) is the focus of the next two years.

### **HUNGARY**

Focus is the creation of a national platform (response measures, help the planning and implementation of domestic climate adaptation) with a bigger focus on adaptation since the country is relatively well positioned in the field of mitigation.

### **FINLAND**

The Finnish Mission Cities are great frontrunners in climate work, this potential needs to become more visible in the European context. There is need to form the Finish common narrative and share it widely, and that is where CapaCITIES would be needed. Also, a strong national collaboration is an ambition.

### **FRANCE**

Aim is to reflect on support needs for French territories to reach climate neutrality by 2050 and improve governance, e.g. through removing administrative and sectoral silos for an integrated approach.

### **GREECE**

Aims to involve more stakeholders and enhance citizens' engagement in order to be more effective for the cities' support.

### **CZECH REPUBLIC**

Would like to carry out concrete activities that would lead to climate neutral cities and regions. For that purpose they welcome a proper legal and financial framework and easing administrative obstacles.

### **AUSTRIA**

For the first phase of CapaCITIES, Austria defines objectives on three different levels:

- *Level 1: Identify interest and experience*
- *Level 2: Share and learn & improve*
- *Level 3: Compile and develop*

Level 1 refers to topics in which the consortium has little to no experience. The aim of the level is to identify interesting approaches and to experience their impact. Examples include the topics of experimental spaces or the successful involvement of research, business and industry partners, etc.

Level 2 aims at sharing own experiences and knowledge about existing approaches and structures (e.g., the Smart Cities Network Austria, Mobility policy lab) in order to support other countries in their structural development. Furthermore, level 2 activities are aimed at learning from other countries in order to improve and further existing approaches (e.g., data management, use of satellite data, coordination of funding at federal and state level, moving



from R&D to implementation funding, role of innovation – framework conditions, etc.).

Level 3 includes the elaboration and collaborative discussion of relevant content from Level 2, such as data issues (availability, accounting method, etc.) in the mobility sector.

### ***C.5 Is there anything else you would like to share with us?***

Question C.5 is quite open and therefore offers a broad area of potential input. Turkey, for example, points at their National Advisory Group Meeting on opportunities for climate neutral and smart cities which is postponed to a later date due to the catastrophe while the Czech Republic offers relevant contacts for further topical exchange. Hungary mentions their National Adaptation Geo-Information System (NAGiS) which is a GIS-based decision-making support system and also a climate adaptation database system, but focusses mainly on climate adaptation. In direct relation to the self-assessment, input was provided by Portugal, which is updating the self-assessment on a regularly basis. Some countries perceived the assessment as useful (Poland, Turkey). Sometimes however it was difficult to answer the questions because a National Support Platform is not in place yet or other entities are responsible for building it, which makes it harder to obtain answers (Netherlands).

## **KEY LEARNINGS**

In this section, we make an attempt to draw conclusions based on the first iteration of the Core Countries' self-assessments.

### ***Part A: National platforms for climate neutral cities***

By a **national platform**, we mean support structures provided by the national and regional governments to cities in order to help them reach their 2030 climate neutrality goal. While such support structures may take different forms, like concrete commitments, vertical and / or horizontal collaboration, partnerships between different stakeholders and many more, all of them will have a certain degree of formalisation. National platforms have a clear objective - climate neutral cities by 2030, and coordinate different actions to help local governments achieve this goal, such as conferences and meeting opportunities, services, (financial) support and others.

The level of maturity of national platforms differs across the CapaCITIES Core Countries. Some countries (Austria, France) had a long history of cooperation between different levels of government and across sectors for climate neutrality, which made it easier to create support structures and channel tailored support for the EU Cities Mission at the national level. Others (Spain, Sweden) had running initiatives aimed at bringing different stakeholders together to help cities reach climate neutrality and used their extensive experience and knowledge to build national support structures around the EU Cities Mission. On the other hand, there are some countries (Poland, Slovakia, Turkey), which only recently started developing their national platforms for climate neutral cities. They work hard to facilitate conversations between different stakeholders and build mutual understanding, trust and a common vision.

Having analysed the input provided by Core Countries in the self-assessments, we were able to distinguish three levels of maturity of the national platforms for the climate neutral cities across Core



Countries:

- **Established national support structures:** Austria, Finland, France, Greece, Spain, Sweden
- **National support structures that are currently being established:** Italy, The Netherlands, Portugal, Romania
- **Early-stage activities leading to the development of national support structures:** Czech Republic, Hungary, Poland, Slovakia, Turkey

It is essential to emphasize that this is a very simple and flexible classification that helps the CapaCITIES consortium to better understand where different countries are in the process of building their national support structures and what type of support the consortium should offer for different levels of maturity. Its goal is merely to inform the work in CapaCITIES, not to create any kind of rankings or scoring systems for the countries. All the national partners in the Core Countries do an equally excellent job in mobilising stakeholders to develop or strengthen their national platforms, building on the current frameworks and conditions in their national contexts. The levels of maturity were distinguished based on the following categories: the level of formalisation, the level of embeddedness in the national ecosystem, stakeholder engagement across different levels of government and different sectors, common climate neutrality vision and goals, established communication channels, and dedicated funding and financing. These criteria might be verified as we learn more about different examples of national platforms.

The **established national support structures** are characterised with a high level of formalisation. They are driven by the common climate neutrality target, well-embedded in the national ecosystem, and formalised with some sort of official declaration signed by all involved parties, e.g. Memorandum of Cooperation. They engage a large group of relevant stakeholders that systematically grows and have efficient structures in place that enable collaboration between different levels of government (local, regional and national) as well as across different sectors, e.g. Cities Mirror Group or Inter-ministerial Working Groups. The national level understands the urgency of the climate neutrality goal and is actively involved in creating enabling conditions for cities – both at the policy and regulation level – to become climate neutral. The well-established national platforms also have effective communication channels that support fast exchange of information and coordination of common efforts. In some cases, the national support structures also coordinate and provide targeted funding for climate neutral cities.

The **national support structures that are currently being developed** can be characterised by a medium level of formalisation, meaning that there are some formal structures in place, however, they are not yet well-embedded in the national ecosystems. They also often include only stakeholders from the same level of government, e.g. ministerial working groups, and are currently in the process of creating links to other levels. There is a common vision and climate neutrality target that drives different stakeholders, however there is little alignment across government levels and sectors when it comes to funding and implementation.

The **early-stage activities leading to the development of national support structures** are characterised by a low level of formalisation. Even if there are some structures in place, like informal working groups, they are not yet very well-embedded in the national ecosystems and often work in isolation. The collaboration between different levels of governance and across sectors is weak and there are no effective communication channels between relevant stakeholders. In some cases, the common climate neutrality target and ambition is lacking, which makes it difficult for the relevant





stakeholders to agree on the common direction and climate action. There is lack of coordination between climate efforts at different levels, which hinders systemic change.

Each country has a different national context that shapes the way in which national support structures for climate neutral cities emerge. That is why, every national platform is an outcome of a different process, has a different structure, and a unique way of working. This diversity of ideas, stakeholder constellations, and relationships will be further analysed by the CapaCITIES consortium to capture a variety of good practices for other countries to get inspired by. There are, however, some common factors that clearly support the development of the national platforms, even if in different shapes and colours. These include:

- previous history of cooperation between different levels of government and across sectors for climate neutrality;
- common vision and targets across different levels of government;
- integrated climate neutrality framework at the national level that includes different levels of government (policies, initiatives, projects, capacity-building programmes, funds, etc.);
- engagement at the local and regional level driven by ambitious targets;
- established communication channels between different levels of government;
- effective multipliers well-embedded in the national ecosystems that bring different stakeholders and different perspectives together, like national city networks, dedicated initiatives, national agencies, and others;
- environment open to learning and experimenting as well as capacity-building opportunities;
- trust between stakeholders.

The self-assessments also showed that the more the CapaCITIES national partners were embedded in the national support structures and the national ecosystems, the more detailed information they were able to provide on such topics as the policy, monitoring & reporting, and funding & financing frameworks. It suggests that it is crucial for the ‘developers’ of the national platforms to have a good understanding of the existing structures for climate neutrality at the national level, including institutions, funding opportunities, capacity-building programmes, and even dynamics between different stakeholders and levels of government. Having such a detailed overview creates opportunities for networking and building relationships with essential actors. On the other hand, lack of details in the self-assessments can indicate that the information on the action towards climate neutrality at the national level might be hard to find or access. In fact, national partners from Romania raised the point in the context of local governments that the information on relevant programmes and available funds was very fragmented and difficult to navigate, as there was no centralised database and the information was spread across websites of different ministries.

### ***Part B: Enabling and hindering factors for climate neutral cities***

#### **Level of support from the national and regional governments for climate neutral cities**

The level of support from the national governments for climate neutral cities was evaluated as

medium by most of the Core Countries. Seven of them answered that the national level takes some action to support cities in reaching climate neutrality. Five countries (Austria, Finland, Greece, Spain, and Sweden) indicated that their national governments actively support cities in reaching climate neutrality.

The level of support from the regional governments for climate neutral cities was evaluated as weaker than the support from the national level. Eight countries indicated that the regional governments take some action to support cities in reaching climate neutrality. Only two countries (France, Sweden) responded that their national governments actively support cities in reaching climate neutrality.

### **Key barriers for climate neutral cities**

The Core Countries identified the following key barriers for climate neutral cities in their countries:

- Lack of national and regional financing and funding for climate neutrality (9)
- Lack of multi-level governance framework (7)
- Lack of the shared climate neutrality ambition at the local, regional and national level of government (5)
- Lack of or hindering legal and regulatory framework (5)
- Lack of national and regional programmes for technical assistance in cities (4)
- Lack of support for capacity development in cities (4)
- Lack of emission monitoring and reporting framework including reporting from the local level (3)
- Lack of or hindering national and regional climate policies and strategies (2)

The results clearly indicate that in most Core Countries there is no comprehensive, integrated and participatory national framework for climate neutral cities. This barrier applies to many aspects, including governance framework, policy framework, funding and financing framework as well as the monitoring and reporting framework, more specifically weak technical assistance and support for capacity development in cities. The CapaCITIES can play an important role in creating bridges not only between all these frameworks but also between actors representing different levels of government and different sectors.

### **Current national policy framework for climate neutral cities**

Most of the Core Country partners were able to indicate key policies, strategies and plans towards climate neutrality in their national contexts. In some countries, they take the form of binding laws that national governments need to follow and obey (see Table 2) and in some, they are non-binding and indicate the overall vision and direction for climate action (e.g. in Czech Republic, Hungary, Romania).

The local governments are usually included in the national-level policies and targets, however, the contexts across different Core Countries vary significantly. In some cases, there are clear expectations set for local governments, like to prepare local Climate Plans and outline actions towards GHG reduction (Finland). In other cases, local governments are mentioned in different sectoral strategies in the context of implementation (Hungary, Italy).

### **Quantitative impact measurement and GHG reporting for climate neutral cities**



The results of the self-assessments show that the national MRV (Monitoring, Reporting and Verification) frameworks across the Core Countries rarely include local governments' emission reductions. There is usually no alignment between monitoring and reporting activities at different levels of government (local, regional, national). There are also no established channels for communication and collaboration between different government levels to strengthen localised monitoring and reporting frameworks.

Local governments rarely collect their own GHG data, although there are some exceptions and growing interest among cities to take on this activity. The common practice in cities is to use aggregated national GHG data and common statistical data to estimate the amount of emissions in the city. The lack of localised reporting and monitoring systems might hinder the potential of subnational climate action.

Many local governments use reporting platforms for cities, like *MyCovenant* or *ICLEI-CDP Track*, however, there is no clear example of national or regional support for reporting activities at the local level.

If there is any support from the national and regional governments for cities to collect GHG data, it is usually limited to such activities as providing methodology, guidance and technical assistance on how to collect and report GHG data as a part of local strategies (Czech Republic, Hungary), sharing the national GHG data with cities (Poland) and aligning the national law with the EU standards and requirements (Romania).

Based on the self-assessments, the highest level of localisation in the national MRV approach was identified in France and Romania. In France, the **Regional Energy and Environment Agencies and Observatories** play a crucial role in analysing and monitoring the developments of the region's situation on climate change, by identifying the challenges and by keeping an account of GHG emissions and energy consumption in order to measure the progress. The Agencies seem to be well embedded not only in the local MRV system but also in the national MRV framework. In Romania, there is a National System for Reporting Policies and Measures and for Reporting Greenhouse Gas Emissions and Removals Projections (NSPMPEGES) in place, which is based on **county-level Agencies for Environment Protection** in 42 counties. Both French and Romanian examples will be further explored with the respective Core Country partners to assess the benefits of these MRV approaches and possibly present them to other countries.

The CapaCITIES team hopes to learn more about the different national MRV frameworks across the Core Countries during the next iterations of the self-assessment exercise. The ambition is to identify good practices and create learning opportunities for the Core Country partners during the CapaCITIES capacity-building programme, who will not only better understand the MRV landscapes in their own countries but also acquire knowledge to foster a more comprehensive, integrated and participatory approach to MRV at the national level.

#### Current financial and financing support for climate neutral cities

The Core Countries did not provide much information about the current financial and financing support for climate neutral cities in their countries in the first iteration of the self-assessment exercise. The CapaCITIES team wants to identify key obstacles in capturing this information, like lack of understanding of the national funding and financing landscape for climate neutral cities, lack of access to the relevant information, not enough time to complete the self-assessment, etc. The

CapaCITIES wants to explore these issues in a bilateral communication with selected Core Countries and propose a capacity-building session on funding and financing for climate neutral cities based on the concrete needs mapped out by the Core Countries.

Although the Core Countries did not include much information in this section of the self-assessment, the vast majority of them indicated that the overall financial and financing support for the climate neutrality target is low (Czech Republic, Hungary, The Netherlands, Poland, and Turkey), if any at all (Italy, Romania, and Slovakia). It can mean that there are no national level funds or financial programmes directly linked to climate neutral cities, no advisory bodies actively supporting cities in financing and developing climate neutral projects, and no support for piloting of innovative climate financing instruments.

Two countries (France and Spain) responded that there is a medium or even significant level of national financial support for climate neutral cities. Unfortunately, Spain did not provide any further information about the current situation in the country. The information provided by France was incomplete and will be updated before the next submission window in August 2023.

### **Funding**

The self-assessments show that the EU funds, like European structural and investment funds, Just Transition Fund, Innovation Fund and Modernisation Fund, play a crucial role in funding the climate action in Member States. However, the link between these funds and climate neutrality was not clear. With no doubt, they contribute to reaching the climate neutrality goal, but there is little information on how these funds will help close the current emission gap and reduce the GHG emissions to the net zero levels.

Some Core Countries (Czech Republic, Poland, Portugal) indicated that they have national level funds or institutions dedicated to redistributing the EU funds and possibly also national funds to climate projects. However, more detailed information, like their budgets, was not provided.

It is also not very clear what part of the EU and national funds is allocated to local governments and how much money goes to climate neutral projects in cities. The CapaCITIES team wants to further explore this topic with the Core Country partners during the next iteration of the self-assessment exercise.

### **Financing**

The Core Countries provided rather scarce information about different types of financing in their countries. Some countries, however, referred to concrete investment institutions that support financing climate neutrality projects, like Banque des Territoires in France, National Fund for Environmental Protection and Water Management in Poland, and Ilbank in Turkey.

Practically none of the Core Countries was able to respond to the question about the level of national and regional support for different types of climate finance instruments implemented in cities or regions, like green or sustainable bonds, local tax levies, regional or local funds, PPPs, climate insurance instruments, debt financing or private lending. This might either indicate that the innovative financing tools are not popular and widely used in most Core Countries or that the CapaCITIES national partners had troubles accessing this type of information.

## ***Part C: Support from CapaCITIES***



Based on the aggregated answers of the core countries need of support is focused mainly on the structure of the national platform, financing opportunities and climate reporting. Regarding the national platforms different sub topics were identified as the

- **Establishment and advancement of the platform.** Topic wise, a distinction can be made between first steps towards building the platform and further thoughts, e.g. how to build upon knowledge generated by other platforms such as VC or exchange on international structures. Countries at different levels expressed interest in this topic as it is an ongoing task.
- **Multi-level governance.** Information and exchange on innovative multi-level governance approaches (e.g. Climate City Contracts, Local Green Deals) is also needed on different levels of advancement.
- **Stakeholder engagement.** Closely related to the former topic especially countries which have already some structures in place are interested in how to engage stakeholders. Singular interest was shown towards the integration of universities.
- **Capacity building in cities.** This includes concrete measures regarding the building of capacity and expertise in (Mission) cities and successful coordination of city networks. Also, good practices on integrated planning (e.g. SECAPs, Urban Greening Plans) were of interest.
- **Integration at EU-level.** Guidance on how to connect with the EU level initiatives and partnerships (e.g. NetZeroCities, Driving Urban Transitions, other EU Missions - in particular the EU Mission on Climate Adaptation, EU Covenant of Mayors, EU Climate Pact, New European Bauhaus, Smart City Market Place, NetworkNature) was highlighted by half of the core countries.
- **Knowledge exchange/learning framework.** Sporadic interest was shown regarding an exchange on countries learning frameworks, methodologies as the transition lab process or learning material for cities.

Interest in financial aspects was shown towards innovative financing instruments and access to funding opportunities. Especially the first point is interesting for most core countries. Regarding the quantitative impact measurement and reporting, good practices in climate reporting (e.g. reporting platforms, supportive national reporting frameworks, CO2 accounting) are needed. The interest varies from initial questions as how to best obtain and collect data, special questions as how to best merge different reporting systems in one country to the communication on co-benefits.

As for the medium of support interactive and reflective formats (exchange of good practices/ similar challenges, feedback) are most welcome accompanied by additional information materials (e.g., overviews on experimental spaces).

Feedback regarding the Self-Assessment template described it as a useful tool. The intention of the template is to use it as a living document, where countries can update their progress or support needs. The continued use was mentioned in some cases by the core countries.

Feedback regarding the difficulty to obtain answers will be reflected in the further use of the template.



***References***

**D3.1 Mapping of governance actors and core elements in the Core Countries** (CapaCITIES - WP3)

**D4.1 Self-assessment template** (CapaCITIES - WP4)

**D5.9 Mapping of national and regional city collaboration and support for Cities Mission implementation** (NetZeroCities)

<https://netzerocities.eu/wp-content/uploads/2022/11/D5.9-Mapping-of-national-and-regional-city-collaboration.pdf>