

# Climate City Contract 2030

Between Östersund Municipality and the government agencies the Swedish Energy Agency, Vinnova, Formas, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration, the Swedish Environmental Protection Agency and Viable Cities.

**VERSION 2022**



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# 1. Purpose of the Climate City Contract 2030

The purpose of this Climate City Contract is to accelerate the pace of the climate transition in cities within the framework of the 2030 Agenda. The Climate City Contract expresses the partners' intention to raise the level of ambition in sustainable urban development and climate transition. The Climate City Contract also provides Sweden and Swedish cities with a good foundation to be international role models for climate transition in cities. This will be achieved through mutual, long-term commitment to efforts on the part of the undersigned government agencies, the Viable Cities innovation programme, and the city/municipal authority as set out below.

## 2. Parties

### Parties in the Climate City Contract 2030 are:

- Östersund Municipality.
- The government agencies: The Swedish Energy Agency, Vinnova, Formas, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration and the Swedish Environmental Protection Agency.
- The Viable Cities strategic innovation programme.<sup>1</sup>

## 3. Municipal commitments

### 3.1. Municipal climate goals

In June 2022, the Municipal Council adopted a revised version of the Comprehensive Plan, Östersund 2040. The Comprehensive Plan is a strategic document that describes the Municipality's intentions for the physical environment in the future. It shows how the Municipality wants to use land and water to allow space for more inhabitants, while limiting the ecological footprint, and to contribute to good living conditions. As regards climate impact, the Comprehensive Plan should enable the Municipality to assume a leading role in efforts to reduce greenhouse gas (GHG) emissions.

The Municipality has its own goals and interim goals for contributing to Sweden's national goal of net zero GHG emissions:

- Fossil carbon dioxide emissions shall decrease by 100% in Östersund municipality as a geographic area by 2030, and in the municipal organization by 2025.

<sup>1</sup> Viable Cities is a strategic innovation programme funded jointly by the Swedish Energy Agency, Vinnova and Formas. The programme runs 2017–2030 and has approximately 130 members. The host organization is KTH Royal Institute of Technology.



- Energy consumption shall decrease by 30% in Östersund municipality as a geographic area and in the municipal organization by 2030, compared to 2010.
- Modes of transport in the Östersund urban area shall be distributed as follows: 40% car, 20% public transport and 40% active transport (cycling and walking) by 2030.
- Östersund Municipality shall be climate positive by 2040 in the municipality as a geographic area, and climate neutral by 2030 in the municipal group.

These objectives shall permeate planning, development, the Municipality's budget and other municipal decisions. They shall also serve as a desirable direction for business and other operations conducted in the Municipality. Achieving these goals requires far-reaching measures that contribute to an overall transition in society. Fundamentally, it is about developing the city within the existing infrastructure. It is also about encouraging people to choose modes of transport other than the car to get to work and other activities, by developing public transport and cycle routes. To achieve the goals we need to use new technology, reduce consumption-based emissions, focus on energy efficiency, and transition to renewable fuels.

Becoming fossil free and energy efficient means that we in Östersund meet our commitments relative to the Paris Agreement, recommendations from the United Nations Intergovernmental Panel on Climate Change (IPCC), and the goals in the Jämtland County Administration Board's Energy and Climate Strategy. We also do our part in meeting the global Sustainable Development Goals (SDGs) of the 2030 Agenda.

For the municipality as a geographic area to become fossil free by 2030, fossil carbon dioxide emissions must decrease by at least 11% per year (territorial, i.e. all emissions within county borders). To achieve climate neutrality, we must also work to reduce consumption-based emissions by at least the same amount (all emissions caused by Swedish consumption, no matter when and where in the production process they occur).

One challenge with monitoring consumption-based emissions has been a lack of reliable data. Earlier this year, however, the Stockholm Environment Institute (SEI) published its Consumption Compass, showing consumption emissions from private households. The compass showed emissions of 6.4 tonnes per inhabitant in Östersund Municipality in 2019. To meet the Paris Agreement's goals, total consumption-based emissions (from private households, the public and private sector jointly) must decrease to an average of one tonne per person per year by 2050, according to the UN IPCC. Östersund has not yet defined indicators for the reduction.

## 3.2. Strategy

Östersund Municipality's efforts to reduce climate impact start from a Climate Programme and a political governing document entitled *Klimatstrategi för ett*



*fossilfritt och energieffektivt Östersund 2019–2023/Climate Strategy for a Fossil-Free and Energy-Efficient Östersund 2019–2023.* To achieve the goal of a fossil-free and energy-efficient municipal organization and municipality as a geographic area, the Municipality's efforts focus on the nine strategic development areas indicated in the Climate Strategy (broken down into 74 separate actions):

- Design the organization and means of control for effective climate work
- Create sustainable, energy-efficient travel and transport
- Increase the percentage of renewable energy production
- Establish efficient energy use
- Use fossil fuel-free, and energy-efficient work machinery, snowmobiles and water machinery
- Climate-smart spatial planning and a focus on sustainable construction
- Make Östersund a place where it is possible to live, act, work and visit consciously and sustainably.
- Increase fossil fuel-free capital investments and green bonds
- Develop Östersund into a climate-neutral municipality

We are currently updating the existing Climate Strategy, and in 2023 will prepare a new strategy to apply from 2024. This is expected to be adopted during 2023.

A carbon budget will visualize annually the remaining emissions allowance in the municipal organization relative to the 2025 goal. This will be used as a foundation for allocating emission reduction in each committee and administration, and in preparing reduction plans for fossil freedom by 2025. Moreover, a process to link the carbon budget to the financial budget has been initiated, clarifying which investments contribute to the achievement of the Municipality's climate goals.

It is unclear at the present time to what extent negative emissions on a large scale are possible. Due to the slow progress of the transition, we will therefore also have to rely on compensatory measures such as storage and conversion of CO<sub>2</sub> to achieve the goal of climate neutrality by 2030. Östersund Municipality plans to look into different options for this in 2023.

### **3.3. Organization and management**

Östersund Municipality has long conducted active environmental work, managed partly through an environmental management system and partly through the governance and budget process. The vision of a fossil-free Östersund was formulated back in 1997, and in 1999 the Municipality decided to work systematically according to an environmental management system. Since 2007 the municipal organization, apart



from the municipal enterprises, has been certified to the ISO 14001 standard and also has an EMAS registration. Every year, environmental efforts are examined by an independent auditor. The Municipality's real estate unit is also certified to the ISO 50001 energy management system.

The Municipality today has a clear vision and a long-term goal of an ecologically sustainable Östersund. In Municipality Goal no. 7 – which says that “Östersund municipality conducts effective efforts to reduce impact on the environment and climate” – the political sphere has outlined how it wants the organization to work. Responsibility is shared between the Municipal Executive Board on one hand, and the Spatial Planning Department along with the Environment and Planning Committee on the other. The Municipal Executive Board is responsible for environmental and climate issues at the strategic level, while the Spatial Planning Department alongside the Environment and Planning Committee coordinate and oversee operational tasks.

### **3.4. Collaboration with business, academia and citizens**

Working with others is crucial to successfully transition to climate neutrality. Östersund Municipality will work with the business sector, the university and independent organizations to promote climate-smart innovation and co-creation across organizational boundaries.

Collaboration, dialogue and information are needed with people in different target groups. Efforts are under way in the field of energy and climate consultation focusing on private individuals, the business community and housing associations. Educational activities are being held for schoolchildren through the Klimatlådan, or 'Climate Box', concept. With initiatives such as the Klimatseminariet climate seminar, participation in Earth Hour and European Mobility Week, the Municipality is trying to increase the focus on sustainability issues, both among the general public and in the business and political arenas.

According to the Municipality's Business, Trade and Industry Strategy, the Municipality shall “work for and enable more initiatives and investments linked to increased circular economy and circular processes”. Against that background, the Municipality has conducted a joint pilot study with Region Jämtland Härjedalen entitled *Cirkulär omställning hos Östersunds företag inom upplevelse- och besöksnäring/Circular Transition among Östersund Companies in the Experience and Hospitality industry*, which looks at the Östersund business sector's opportunities to contribute to the circular transition.

Networks such as Klimatkommunerna, Fossil Free Sweden and Viable Cities are sources of knowledge and experience exchange which further boost our ability to conduct effective climate efforts. There are many examples of how collaboration has helped us accelerate the rate of transition, and this is an area we intend to focus



on more intensively going forward as much remains to be done. Working more with citizen dialogue to better understand needs and obstacles, and also creating the conditions for behavioural changes, is one example of a development area we plan to focus on more intently.

### **3.5. Climate Investment Plan**

During 2023, Östersund Municipality will begin preparing a Climate Investment Plan based on the knowledge available from Viable Cities. The Climate Investment Plan will serve as a coherent guide document for the climate transition function's efforts, and clarify how the city's economic interests underpin accelerated climate transition. The plan will describe the actions required by different players in various sectors up to 2030, and will try to define the costs and benefits to society. The Climate Investment Plan can also support the prioritization of measures.

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

Digitalization creates more opportunities for faster transition. To fully exploit its potential, we need to learn more about how digitalization can facilitate climate transition and in which contexts digital tools can contribute to behavioural change. Since much of the transition is about making it easier for stakeholders on different levels in society to live and work without negative climate impact, the focus on digital support needs to be linked to this. In early 2023, we plan to implement a visualization system to illustrate in what way different actions influence the Municipality's climate footprint.

To mention one example where digital support has been deployed, Östersund Municipality has established a digital cooperation platform to enable the reuse of construction and demolition materials. Östersund is also far advanced in its efforts to develop a digitalized planning process, and the *Digiresan* digital journey initiative has harnessed ideas from the operation about how sensors in mail boxes, for example, can reduce emissions from the Municipality's internal mail transport.

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

Utilizing the network we have and the collaboration platforms already in place is pivotal if we are to conduct innovation efforts across level boundaries. Östersund Municipality will therefore continue to share its experience and learn from others, through the various networks and organizations in which we are active. These include the Environmental and Climate Council for Jämtland Härjedalen, Viable Cities, Fossil Free Sweden, Glokala Sverige, Roadmaps for fossil free competitiveness, N6 and Klimatkommunerna.





### 3.8. Climate adaptation

Greenhouse gas content in the atmosphere is increasing, which is leading to an altered climate with higher temperatures and more precipitation. The Swedish Meteorological and Hydrological Institute (SMHI) climate analysis for Jämtland County shows that the average temperature will rise by 3–5°C over the next 100 years. We are already seeing the effects of this in Östersund in the shape of e.g. more storms, fewer days of ice on Storsjön lake, iciness during the winter and heat waves with forest fires. It is important to continue efforts to reduce emissions, but we must also create the conditions for being better equipped for the consequences of climate change, today and in the future. The key is to identify and execute measures that reduce the vulnerability of society and citizens, while ensuring that municipal services can be maintained.

The Comprehensive Plan aims to help assure a resilient society. Many climate adaptation actions that are needed in the physical environment are linked to ecosystem services in different types of green and blue environments, i.e. both land and water areas. Climate adaptation work will be strongly integrated into the processes that handle spatial planning. Success depends heavily on knowledge and the development of new environments for ecosystem services.

The Municipality has conducted a risk analysis and risk inventories, gauging the probability and consequences of various climate effects materializing. The analysis covered three time frames: present time, 2050, and 2100. The results have been compiled into guidelines for climate adaptation and an accompanying background report, which was ratified by the Municipal Council in 2021. The guidelines include the following political stances:

- A robust society
- Assured planning data
- Preparedness for climate-related events as regards communication
- Preparedness for climate-related events as regards crisis preparedness, and
- Preventing economic risks

### 3.9. Sustainable mobility

More than half of CO<sub>2</sub> emissions in Östersund originate in travel and transport. If we are to achieve our environmental and climate goals, we need to establish a transport structure that meets the needs while also helping citizens, businesses and visitors to make sustainable travel and transport choices. The Comprehensive Plan guides towards urban planning where sustainable modes of transport are prioritized in order to achieve the desired distribution of transport in the Östersund urban area (40% car, 20% public transport and 40% active transport by 2030). Spatial planning is key in



making both public transport and active transport attractive. Incorporating walking, cycling and public transport into the planning process early on, creates the structural conditions for an Östersund that can grow sustainably. A new governing document for mobility will be produced, with the aim of supporting the goal for transport distribution.

Östersund shall also work to ensure societal transition to a fossil-free vehicle fleet by increasing capacity for refuelling and charging both light and heavy vehicles, by making land, power and infrastructure available within the municipality. We also need to work on transport efficiency and mobility management. We need to support Östersund's stakeholders and citizens through knowledge dissemination, network building and behavioural advocacy in order to promote sustainable mobility. Also, in its role as a consumer, the Municipality must impose sustainability demands when the internal municipal organization procures different kinds of vehicles, construction contracts and mobility services.

Because of Östersund's geographic location, efficient, reliable transport connections are crucial to travel to, from and also within the region. This makes climate transition in aviation an important issue. Alongside stakeholders such as Region Jämtland Härjedalen, the County Administrative Board, Trøndelag County in Norway, Swedavia, the *Samling Näringsliv* enterprise network and others, Östersund Municipality has been a project owner in the Interreg project Green Flyway. The project has examined how the region can contribute to the transition of aviation in different ways, for instance by establishing a test arena for electrified aviation and autonomous aerial vehicles. The project concluded in September 2022, but the important work towards aviation transition ought to continue. The expansive development currently under way in the field of autonomous drones could help to increase accessibility and regional development in Östersund Municipality and Jämtland County.

### **3.10. Reporting and follow-up**

The Municipality's efforts are examined annually by an independent auditor, within the framework of the environmental management system. Östersund Municipality also follows up on indicators in energy, environment and climate on an annual basis, for example through environmental reporting. Internally, this is done as part of the ordinary governance model. In addition there is ongoing dialogue and reporting in the Fossil Free 2025 forum, which comprises civil servants, the director of the Municipality, politicians and representatives of the municipal enterprises.

Work within Climate Neutral Östersund 2030 is regularly reported to the steering committee for the City's climate transition function, which includes parts of the municipal management group, and also to the Environment and Planning Committee. Follow-up of the Climate City Contract will take place in accordance with the guidelines set by Viable Cities, see section 7 below.



During the autumn, a climate visualization system will be procured. It will serve as a tool for monitoring transition efforts and visualizing how different kinds of actions and investments impact on emissions. There is also a need to further develop methods for monitoring the consumption-based climate footprint.

## 4. Viable Cities' commitments

The innovation programme Viable Cities is implemented in a broad collaboration in order to contribute to the transition to climate-neutral cities by 2030 as part of Sweden's commitment to meet the Sustainable Development Goals (SDGs) of the 2030 Agenda and the aims of the Paris Agreement. This includes being international role models for climate transition in cities.

Viable Cities works with a wide range of stakeholders across disciplinary boundaries, industries and societal sectors. The programme connects centres of research excellence with large, small and medium-sized enterprises in a range of industries, as well as with public sector and civil society organizations.

Within the framework of Viable Cities' strategic innovation role, the programme shall strive to achieve the following:

### 4.1. Better regulation

Viable Cities intends to create competence support with policy labs to provide the municipality with a better overview of current and proposed Swedish and European legislation, regulation and standards of relevance to the cities' climate transition. This includes process support for changing regulations and standards to facilitate the climate transition in practice. In the initial phase, this will be linked to work to develop system demonstrators (see Section 6).

### 4.2. Innovation

In order to make it easier for the municipality to implement innovations that can accelerate the pace of climate transition, Viable Cities will provide a competence network and process support, including by engaging other strategic innovation programmes in the ongoing development of Climate City Contract 2030, particularly in the areas of mobility, energy, built environment, the circular economy, health and digitalization. Based on the collaboration agreement on climate-smart mobility signed with the strategic innovation programme Drive Sweden, this area of collaboration will be further developed with both cities and government agencies, not least the Swedish Transport Administration.



### 4.3. Coordinated funding

Viable Cities will work in the following ways to support the municipality's funding needs for the climate transition and to promote collaboration and synergies between government agencies and other stakeholders that fund climate transition and sustainable urban development.

- Viable Cities shall continue to work with Climate City Contract 2030 with the 23 cities and five government agencies involved in the programme.
- Through the Council for Sustainable Cities, Viable Cities has launched a collaboration to create synergies between urban climate transition grants from government agencies and Climate City Contract 2030. The agencies are currently working to coordinate the various initiatives under way in the field of sustainable urban development, see Section 5.3 Coordinated funding.
- Viable Cities collaborates with Kommuninvest and the European Investment Bank (EIB) among others in order to develop forms for strengthening the long-term funding of municipal climate investment plans.

Viable Cities continues to develop forms for climate investment plans for cities, the aim being to support all cities in their efforts towards climate neutrality by 2030.

### 4.4. Cooperation with the EU Cities Mission

Viable Cities cooperates closely with the support structures built up around the EU's Cities Mission – including the NetZeroCities platform (an EU mission platform), CapaCITIES (a network of national nodes), and the Driving Urban Transitions (DUT) Partnership programme.

## 5. Commitments by the government agencies

The government agencies commit to collaborating within the strategic innovation programme Viable Cities. The agencies thereby contribute to the purpose of the mission-led work to transition to climate-neutral cities by 2030 with a good life for all within planetary boundaries.

Climate City Contract 2030 means that new working methods need to be developed, both between different actors and organizations, and between different levels of governance.

During 2023, the agencies will continue to develop work in the interagency innovation team. Continued dialogue with cities and regions is important in order to capture



needs and contribute to systems transition. This work entails active participation in the Transition Lab Forum facilitated by Viable Cities, in which joint workshops, reflective discussions and teaching seminars are important aspects. New working methods may also entail that government agencies initiate experiments and pilot projects.

The agencies undertake to continue joint efforts to support the municipalities' climate transition in the following areas in 2023:

## **5.1. A learning approach in policy development**

The government agencies work together to create the conditions for proactive dialogue and learning regarding policy development, and existing and proposed regulations on sustainable urban development and climate transition.

During 2023, the agencies will explore and test forms, such as policy labs, for identifying obstacles and challenges in policy and regulations for sustainable urban development and climate transition.

The agencies will continue to contribute to activities that promote the development of climate investment plans, digitalization and data sharing, system demonstrators and collaboration processes that relate to multi-level governance.

During Sweden's EU Presidency in the first half of 2023, the government agencies will be involved in several of the 150 or so EU meetings to be held in Sweden. The meetings are forums for learning and policy development, and cities and regions are important participants. Planned discussions include the EU's urban agenda on sustainable urban development and a conference on Green Cities.

## **5.2. Funding for research, innovation and development**

The government agencies fund initiatives for research, innovation, development and systems innovation that support accelerated climate transition.

The agencies' funding focuses on different types of research, innovation, application and demonstration, and to some extent investment support. Funding is provided through open calls and other forms, such as client networks, needs-owner networks and innovation procurement.

As part of the transition process, the agencies<sup>2</sup> and Viable Cities have launched an initiative on urban system demonstrators. During autumn 2022, an initial 'design phase' was carried out as part of the initiative. A follow-up call will be made in 2023. The purpose of the effort is to create a form of initiative that takes a clearer systems perspective to the transition process.

<sup>2</sup> Vinnova



### 5.3. Coordinated funding

To create better foresight and centralized information, the government agencies continuously develop coordination of the various efforts under way in the field of sustainable urban development and climate transition. Development takes place within the framework of several of the agencies' existing tasks and assignments, such as the Council for Sustainable Cities, strategic innovation programmes, the national research programmes for climate and sustainable community building, as well as the European Regional Development Fund.

During 2022, the agencies have begun initial tests with some of the cities, in order to develop, in dialogue, a method for portfolio analysis of the agencies' collective funding for cities. The innovation work is planned to continue in 2023. The long-term goal is for the work to contribute to work on cities' climate investment plans.

Hallbarstad.se is the Council for Sustainable Cities central website. Development work on the website will continue in 2023, partly to publicize upcoming funding opportunities, and partly to make it clearer and more user-friendly.

### 5.4. Participation in European initiatives for sustainable cities

The government agencies are involved in and work with several different European initiatives to support the development of sustainable cities and communities.

Work to support Swedish participation in the Horizon Europe 2021–2027 research programme includes contributing to the design of calls and activities, and informing and advising actors planning to take part in applications for different European efforts. The government agencies also collaborate in the execution of the EU's Regional Development Fund 2021–2027 with efforts for sustainable urban development.

The agencies will continue to collaborate in the Driving Urban Transitions to a Sustainable Future Partnership<sup>3</sup>, where there will be calls and other activities in the field of sustainable urban development in the years to come, as well as the European Commission's New European Bauhaus<sup>4</sup> initiative, the European Urban Initiative (EUI)<sup>5</sup> and URBACT<sup>6</sup>.

<sup>3</sup> The Swedish Energy Agency, Formas and Vinnova

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

<sup>5</sup> The European Urban Initiative is a hub for sustainable urban development on an EU level. The EUI will offer funding for cities to improve and increase their capacity in designing strategies, policies and projects for sustainable urban development ([urban-initiative.eu](http://urban-initiative.eu)).

<sup>6</sup> URBACT is a European collaboration programme for exchange and learning in sustainable urban development, Swedish Agency for Economic and Regional Growth,



The agencies will also contribute to develop support functions for the cities selected to participate in the Cities Mission. One example is the CapaCITIES<sup>7</sup> programme. Through CapaCITIES, national change processes are initiated and strengthened to establish national networks and governance structures.

## 6. Strategic development projects 2023

The following strategic development projects will be conducted during 2023 within the framework of Viable Cities Transition Lab in collaboration with other municipalities, with the aim of further developing the content of the Climate City Contract 2030 during its upcoming revision.

### 6.1. System demonstrations

In collaboration with the involved government agencies, Viable Cities is developing a new form of initiative to drive systems innovation for transformation in line with the Cities Mission. A system demonstrator will be conducted to demonstrate the transition of entire social systems in a real-life environment. An important part of this kind of approach is a portfolio of efforts where new solutions, models, initiatives and experiments are linked to a greater whole. Many actors from different sectors are being mobilized in order to learn how to scale up. The system demonstrators start from central areas in the Climate City Contract 2030 and are intended to contribute to revisions of the contract based on insights arising from the work.

During 2022, Vinnova and Viable Cities have jointly begun a design phase to explore how system demonstrators can be a powerful tool in the transition to climate-neutral cities. In collaboration with a number of cities, six consortiums began the design phase in autumn 2022. A call is planned during 2023 for the establishment phase, with the ambition of enabling a number of system demonstrators in Sweden. In tandem, four system demonstrators are being planned Bogotá (Colombia), Bristol (UK), Curitiba (Brazil) and Makindye Ssabgabo (Uganda) within the Climate Smart Cities Challenge alongside UN-Habitat. The aim is to strengthen the exchange of experiences between system demonstrators both nationally and internationally in 2023.

### 6.2. Competitiveness and funding

One of the foundations of mission-oriented innovation is that the state and public organizations at different levels of society play an active role in co-creating and redesigning markets in collaboration with business and other players in society, such as academia and civil society. Concerted mobilization for the transition to climate neutrality can lay the foundation for companies in Sweden to develop new business strategies that enhance competitiveness by driving a transition to a sustainable,

<sup>7</sup> the Swedish Energy Agency and Viable Cities are taking part.



climate-neutral society. This is crucial to Sweden's ambition of being the world's first fossil-free welfare nation, and to our climate policy framework. During 2023, Viable Cities will further strengthen its collaboration with business in order to muster forces for transition. This will take place on several levels, particularly through collaboration in initiatives such as Fossil Free Sweden and The Green Transition Leap. In addition, there will be development to strengthen the local mobilization of companies in the Climate City Contract 2030.

A central aspect of the Climate City Contract 2030 is to create a Climate Investment Plan with a broad perspective on what investments need to be made to achieve climate transition in a city by 2030 (with broad referring to a wide range of stakeholders such as citizens, civil society, companies, academia and public organizations). The municipality is believed to have control over about 15% of the required investments on average. One crucial task is to bring together the right actors from business (including the financial sector), public bodies and civil society to bring about the necessary investment and redirect financial flows to transition to climate neutrality, while also securing auxiliary benefits from the climate transition such as jobs, improved health, inclusivity and attractive living environments. Procurement is also a pivotal issue here. Viable Cities' work will continue in 2023 in order to secure the mobilization of investments and develop methods for climate investment plans.

### **6.3. Citizen engagement**

Various societal challenges currently exist, adding further crises to the climate crisis. For example the pandemic, the war in Ukraine, crises relating to energy, food, raw materials and critical minerals, biodiversity and demographics. This also presents a demographic challenge where a growing percentage of the population feels excluded.

This increases the need for efforts aiming at inclusivity, and at putting citizens front and centre for the transition to climate neutrality and a sustainable society, for instance through new forms for citizen involvement (e.g. citizens' councils) and the development of attractive living environments (e.g. New European Bauhaus). During 2023, Viable Cities will further develop collaboration with cities, government agencies and other actors in order to create conditions for citizen engagement in the climate transition. This will be done primarily by developing new forms for citizen involvement in local climate city contracts and collaboration with European efforts in the area.

### **6.4. International Cities Mission 2030**

In October 2021, the EU launched five missions as a new and innovative approach to working together to improve the lives of people in Europe and beyond. The five missions are intended to tackle major societal challenges such as health, climate and the environment and to formulate ambitious goals and deliver solutions by 2030.





One of these missions is 100 Climate-Neutral and Smart Cities by 2030 – by and for the citizens (known as the Cities Mission), an important element of the delivery of the European Green Deal and a climate-neutral continent by 2050. This will considerably strengthen Swedish efforts to achieve climate-neutral cities by 2030 and to utilize the Climate City Contract 2030 as a tool to do so.

During 2023, work will be done to further strengthen links between Swedish and joint European efforts to achieve climate-neutral cities by 2030. This will take place within a range of initiatives involving cities, government agencies and the Viable Cities programme; for example, NetZeroCities (a platform for the implementation of the Cities Mission which will be developing e.g. an EU Climate City Contract and climate investment plans), the Driving Urban Transition Partnership, CapaCITIES, New European Bauhaus and others. Launched by the European Commission in January 2021, the New European Bauhaus initiative connects the European Green Deal to our built environment. In the implementation plan for the Cities Mission, the European Commission highlights that the EU Climate City Contract will also enable participating cities to integrate and promote the values and the principles of the New European Bauhaus initiative in their plans for climate neutrality. The Swedish National Board of Housing, Building and Planning (through the Council for Sustainable Cities) has been tasked by the Government with coordinating Swedish participation in New European Bauhaus.

Work on achieving climate-neutral cities by 2030 will continue to be developed globally. This will primarily be based on several already ongoing projects, e.g. linked to Sweden's EU Presidency in the first half of 2023, and the continuation of the Climate Smart Cities Challenge in the four cities outside of the EU in association with UN-Habitat.

## 7. Joint monitoring, evaluation and updating

Viable Cities and the municipality agree to conduct an annual review of the municipality's results within the framework of Climate City Contract 2030. Viable Cities shall prepare documentation for annual follow-up at municipal and national levels

### 7.1. Most important updates for the municipality

- Since Östersund was accepted as one of the 23 Swedish cities working towards climate neutrality by 2030, a project organization has been put in place including a project manager (full time), communicator (half time) and project economist (15%).
- The Municipality has taken part in experiences exchanges and learning workshops with the other cities, and with Viable Cities in connection with Transition Forum Labs in Skellefteå, Helsingborg and Uppsala.



- In June, a revised version of the Comprehensive Plan, Östersund 2040, was adopted in the Municipal Council, in which the goal of climate neutrality for the municipal organization by 2030 has been incorporated.
- Östersund is part of the N6 initiative, a cooperation platform between Umeå, Skellefteå, Östersund, Sundsvall, Luleå and Örnsköldsvik. N6 has applied for funding for a project entitled *Kraftsamlning i norra Sverige/Mustering of Forces in Northern Sweden* with the Swedish Agency for Economic and Regional Growth, as part of the call for Sustainable Urban Development. The aim is to create innovation capacity and leadership for the transition taking place in northern Sweden.
- Östersund Municipality has been granted funds by Vinnova to take part in the project *Shared mobility for rural – how do we mobilize for living communities throughout Sweden?* The purpose of the project is to coordinate and make available existing transport resources and transport routes without adding new vehicles in Jämtland and Härjedalen.

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

- It is important to begin the process of linking climate efforts with budget work as early as possible. A process is under way in Östersund to link the carbon budget to the financial budget, by indicating which investments contribute to the achievement of the Municipality's climate goals. The process will also entail highlighting the investments that meet the Municipality's framework for green bonds.
- Östersund has managed to reduce fossil CO<sub>2</sub> emissions by 60% between 1990 and 2020, thereby meeting the target set in the Covenant of Mayors.
- Concrete initiatives have been started to accelerate a circular economy in the reuse of construction materials and demolition spoils in Östersund through the *Cirkulärt byggande/Circular Building* initiative.
- During 2022, Östersund Municipality has established a project office to work more actively on seeking funding for climate transition.

## 7.3. Most important updates regarding Viable Cities

During 2022, far-reaching efforts have been made to lay a good foundation for all 23 signatory cities to deepen their work on the Cities Mission, as 14 cities were added in October 2021. The platform for faster learning has been evolved through the Viable Cities Transition Lab Forum, City Labs, Climate Breakfasts and a range of other formats for meetings between cities, government agencies and other actors. The collaboration with the signatory government agencies has been enhanced so as to further hone the Climate City Contract 2030 process. Viable Cities has also provided documentation for the government's task relating to local and regional climate



transition, which is one of the foundations for the government's upcoming climate policy action plan.

During the year, efforts to develop practical, research-based tools and methods for climate investment plans have intensified. An initial prototype of a calculation tool has been available to all 23 signatory cities since October. Development of the system demonstrator concept also continued during the year, and in the autumn a design phase for a brand new effort was launched in a partnership between Vinnova and Viable Cities, which involves several cities.

During 2022, Viable Cities has had responsibility for a government assignment, Thriving North (support for innovation work for sustainable urban and community development in Norrbotten and Västerbotten). An initial prototype of a regional climate contract has been developed with a working group of representatives from the regions and county administrative boards in Västerbotten and Norrbotten. Moreover, a platform for regional societal transition has been initiated in northern Sweden. The platform is called Thriving North, and is now being carried forward by several players in Sweden's four northern regions.

The EU's work on the Cities Mission has been intensified during the year. September 2021 saw the launch of the Cities Mission, one of five EU missions. Cities across Europe were invited to register their interest in becoming forerunners in the transition to climate neutrality. As many as 377 cities applied. In June 2022, 112 cities were chosen to be pioneers in the climate transition, 100 in the EU and 12 in associated nations. These 112 include seven of the Swedish cities that are among the 23 signatories of the Climate City Contract 2030.

Over the past year, the European platform NetZeroCities has begun efforts to support implementation of the Cities Mission within the EU, primarily to facilitate the transition in the 112 cities. Viable Cities is also involved in this work. NetZeroCities is currently designing a Climate City Contract for cities throughout the EU as a tool for accelerated climate transition. Climate investments are an important aspect of this.

Two new complementary initiatives were begun during 2022 to support the Cities Mission in the EU. The first is the Driving Urban Transitions Partnership, in which Viable Cities is taking part together with Swedish organizations Vinnova, the Swedish Energy Agency and Formas. The partnership is a collaboration between national bodies from a large number of nations. The focus is on funding international efforts in three sectors that can help accelerate the climate transition: Positive Energy Districts, Circular Urban Economies and 15-minute City. The other is the CapaCITIES initiative. This EU collaboration aims to facilitate the establishment of national structures to enable climate transition in cities similar to Viable Cities in Sweden and CitiES2030 in Spain.



The Climate Smart Cities Challenge, a global innovation competition, has entered a new phase during the year, and teams of companies and organizations are now working in the four cities outside the EU in association with UN-Habitat.

## **7.4. Most important updates regarding government agencies**

### **Work in the interagency innovation team**

During 2022, the government agencies in the Climate City Contract have continued to develop work in their interagency innovation team. For instance, the team has compiled a summary of the government agencies' various forms of funding and financing instruments, and helped in ensuring that calls related to climate transition and sustainable cities are continually published on the [hallbarstad.se](https://hallbarstad.se) website.

The innovation team has participated in Viable Cities Transition Labs, as well as workshops and meetings, in order to learn more about cities' climate investment plans and the agencies' role in the process. Alongside some of the cities, the innovation team has tested developing support and forms for analysing the government agencies' joint funding (including various research and innovation (R&I) programmes, city environment contracts) over the past five years. The aim in the longer term is that this work should contribute to commitments regarding coordinated funding and the cities' work on planning climate investments.

The government agencies' ongoing work includes many measures and initiatives that are of significance to the cities' work on climate transition. Compiling and providing information about these are important tasks for the government agencies. Below is a selection that relate to the cities in some way.

### **Funding for research, innovation and development**

During the year, the government agencies have announced several calls aiming to facilitate the transition in cities.

Vinnova has worked with Viable Cities to publish a call for a design phase for urban system demonstrators, for instance. A follow-up call will be published in spring 2023. Other examples from Vinnova include Sustainable accessibility across Sweden, on mobility in sparsely populated areas, in association with Drive Sweden and Viable Cities, Civil society's solutions for climate transition, and Innovations to reduce electricity consumption in cooperation with the Swedish Energy Agency.

The Swedish Agency for Economic and Regional Growth has had calls from the European Regional Development Fund: Produce a local strategy for sustainable urban development and Drive a platform for collaboration and experience exchange. The city as a hub for green and digital transition is an initiative within The Green Transition Leap which is also financed by the Regional Development Fund.



The initiative aims to develop practical new working methods for working with system innovation for local green transition.

Formas has published the call Climate-neutral and inclusive municipalities to increase the capacity and ability of municipalities to accelerate transition work towards climate neutrality which is characterized by social inclusion and equal living conditions. Within the national research programme for sustainable community building, Formas has published a call for Research schools for sustainable community building. The aim of the research schools is to bolster skills and knowledge development, and they are all distinctly interdisciplinary, practically oriented and challenge driven. Several municipalities are included in the research schools. Formas also funds many R&I projects every year in the fields of environment, community building and areal industries in many national and international calls.

In the Swedish Transport Administration's calls for City Environment Contracts, municipalities and regions can apply for funding that leads to a higher proportion of passenger transit by public transport or cycling and sustainable freight solutions.

The Swedish Energy Agency has published calls in the following programmes that are relevant to sustainable cities and communities: Humans, Energy Systems and Society (MESAM), Energy efficiency in cultural heritage buildings, Design for Everyday Energy Efficiency, Transport-Efficient Society and E2B2 (energy-efficient building and living), Graduate School in Energy Systems, and Bio+ (biobased society).

For many years, the Energy Agency has funded client groups and networks to create a platform for close collaboration between business operators and the state, with the aim of reducing energy use in buildings. The Energy Agency also finances the municipal and energy/climate advice service intended for households and private players.

Impact Innovation is the name of the next-generation strategic innovation programme. A call for preparatory projects was opened during the year. One of the three focus areas is Attractive, functioning communities, with cities being a particularly important target group.

On an international level, Formas, the Swedish Energy Agency and Vinnova jointly publish calls for funds enabling bodies active in Sweden to take part in international R&I projects tackling urban challenges in the European Driving Urban Transition (DUT) Partnership. The first call includes 27 nations. On a general level, the partnership addresses issues relating to energy, mobility and use of resources in an urban context.



## Government agency work and special government assignments

The Swedish Energy Agency has worked alongside the Swedish Agency for Growth Policy Analysis, Transport Analysis and the Uppsala County Administrative Board to draft supporting documentation for the government's next Climate Action Plan. The assignment regarding local and regional climate transition involved a great many dialogues with municipalities, regions, government agencies, research bodies, business and other relevant players, which form the basis for the barrier analysis, and the proposed means of control or suggested actions that were presented. Many assignments are under way at the Energy Agency related to the electrification strategy, energy efficiency and secure energy supply, as well as the establishment of a national centre for carbon capture and storage (CCS).

The Climate City Contract agencies are also five of the 14 members on the government's Council for Sustainable Cities. In March 2022, the council was given an extended and modified remit, with more of a focus on working towards the 2030 Agenda's Sustainable Development Goal 11, Sustainable Cities and Communities. Several of the agencies have been involved in the National Board of Housing, Building and Planning's coordination assignment as part of New European Bauhaus (NEB). One example is the call Ideas for a future Kiruna, Gällivare, Boden, Luleå, Skellefteå and Umeå. Idea sketches ready in the project *Visioner: i norr – Hållbar Stad* ([hallbarstad.se](http://hallbarstad.se)).

The Swedish Transport Agency's knowledge forum – Arena for Transport-Efficient Urban Environment – is part of a government assignment (2019–2022) to carry out communication and knowledge-enhancing measures for the transport sector's transition to fossil freedom. An R&I programme for geofencing, financed by the Swedish Transport Administration and run by Closer at Lindholmen, brings together the necessary players in society, business and academia to jointly develop solutions to promote the use of geofencing in controlling the transport system.

Some of the projects related to the development of systems innovation are Evolved working methods and processes for greater synergies between regional, national and international innovation efforts, Systems innovation in cities (Vinnova), Strengthening the regional work on sustainable development (various government agencies), Contributing to upcoming discussions on the EU's urban agenda (Formas), and Vinnova's initiative to support cities' ability to lead and organize innovation, for instance through the companion researcher network which for nearly ten years has been following the development of the Innovation Platforms for Sustainable Cities initiative, and the *Accelerera* project, which is developing and offering support for innovation management in municipalities to ISO standard.



### **New signatory agency**

The Swedish Environmental Protection Agency decided to sign the Climate City Contract 2030 in December 2022, and will therefore participate in the process moving forward.

## **8. The contract**

The parties agree that their joint commitments as formulated above shall apply for 2022. The Climate City Contract shall be updated and renewed prior to each new year.

# Climate City Contract 2030

Between Östersund Municipality, the government agencies the Swedish Energy Agency, Vinnova, Formas, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration, the Swedish Environmental Protection Agency and Viable Cities.

**Stockholm, 8 December 2022.** The parties agree that their joint commitments as formulated above shall apply for 2023. The first version of Climate City Contract 2030 was signed in 2020. The Climate City Contract shall be updated and renewed prior to each new year.

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## Appendix 1 – document links

Below are links to the most relevant documents in relation to Climate City Contract 2030 for Östersund.

[Comprehensive Plan, Östersund 2040 \(in Swedish\)](#)

[Climate Programme \(in Swedish\)](#)

[Waste Programme \(in Swedish\)](#)

[Transport Plan \(in Swedish\)](#)

[Water and Sewerage Provision Plan \(in Swedish\)](#)

[Plan for Nature Conservation and Parks \(in Swedish\)](#)

[Climate Strategy for a Fossil-Free and Energy-Efficient Östersund 2019–2023](#)

[Environmental Report 2021, Östersund Municipality \(in Swedish\)](#)

[Business, Trade and Industry Strategy for Sustainable Growth 2022–2026 \(in Swedish\)](#)