



Climate City Contract 2030

Betweeen Eskilstuna municipality, 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.

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Climate City Contract 2030

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

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

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

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

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

1. Purpose of the Climate City Contract 2030

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

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

2. Parties

Parties to the Climate City Contract 2030 are:

- Eskilstuna municipality.
- The agencies: Swedish Energy Agency, Swedish Governmental Agency for Innovation Systems (Vinnova), Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning (Formas), Swedish Agency for Economic and Regional Growth, Swedish Transport Administration and Swedish Environmental Protection Agency.
- The Viable Cities strategic innovation programme¹.

3. Municipal commitments

Eskilstuna municipality, together with representatives from companies, the public sector and the non-profit sector, has devised a joint climate change programme with general climate goals that are applicable to everyone who lives and works in Eskilstuna municipality, with its two cities and rural areas.

The municipal group is one of all the stakeholders expected to contribute to the common climate goal, but also to take responsibility for general coordination, communication and monitoring of joint climate action.

¹ Viable Cities is a strategic innovation program funded by the Swedish Energy Agency, Vinnova and Formas. The program runs until 2030 and has approximately 130 memberorganisations. Hostorganisation is KTH.

In parallel with the *Eskilstuna Climate Change Programme*, Eskilstuna municipality has compiled a plan for how the municipal group is to work going forward in order to help achieve the joint climate goal. The two policy documents Eskilstuna Climate Change Programme and Municipal Group's Climate Plan were adopted by the municipal council on 10 November 2022. Hence Eskilstuna will be contributing to the Climate-Neutral Cities 2030 mission, with a good life for all within the boundaries of our planet, by working in broad collaboration and maintaining a trust-based approach focusing on reducing both territorial and consumption-based emissions at a rapid pace.

3.1. Municipal climate goals

Eskilstuna's climate footprint must gradually move from negative to positive, and the municipality must work in accordance with the Paris Agreement to limit global warming to well below two degrees. The long-term goal is to bring about a climate-positive² Eskilstuna by 2045 in order to contribute to global and national climate goals and Eskilstuna's vision for 2030.

Goal:

• A climate-positive Eskilstuna by 2045

Everyone living and working in Eskilstuna municipality needs to play their part in order to make it possible to achieve the long-term goal, and the reduction in emissions must be exponential in accordance with what the regional carbon budget shows³. This means that the major emission reductions have to be made early on. The same is true of other greenhouse gases and consumption-based emissions.

Targets:

- To reduce total net territorial⁴ greenhouse gas emissions by about 80 per cent between 2020 and 2030.
- For consumption-based emissions, a corresponding reduction rate should be followed or kept in line with national goals when they are decided upon.

It should be noted that there is scope for carbon offset⁵ measures in order to achieve both short and long-term goals.

² Being climate-positive involves helping to capture more greenhouse gases than we help to emit.

³ The county of Södermanland's carbon budget. The carbon budget is based on the latest IPCC report and a global justice perspective. The methodology must be research-based (currently the Tyndall model) Only carbon emissions are included.

⁴ Emissions that occur within the geographical region of Eskilstuna municipality.

⁵ Carbon offset measures can be achieved by means of active sequestration of greenhouse gases. They can also be achieved by purchasing carbon offsets through organisations that offer certified and verified climate projects verified by independent parties. Carbon offsets must complement, not replace, activities that lead to reduced emissions throughout the value chain.

3.2. Strategy

The key word is "together". Eskilstuna's Vision 2030, the Eskilstuna brand platform and the Eskilstuna Climate Change Programme have been developed in broad collaboration. The vision describes three target scenarios that include a sustainable lifestyle, a good life, an active working life and courageous business. The branding initiative has led to a common concept in which Eskilstuna brings about Climate Evolution^{*6}. The continued work aims to lay the foundation for success for one another when it comes to achieving the climate goal, and is taking place in collaboration with the companies and organisations that have signed a declaration of intent for a climate-positive Eskilstuna by 2045 and those that are included as partners or support partners in the Viable Cities initiative Climate-Neutral Cities 2030.

Eskilstuna's Vision 2030 and the Eskilstuna Climate Change Programme define a common direction with a view to bringing about Climate Evolution*.

The starting point in Eskilstuna's climate transition work is a trust-based approach where every individual should be able and willing to assist with achieving the climate goal on the basis of their own circumstances in the areas that the individual has control over, regardless of whether they represent themselves or an organisation. Every stakeholder and organisation is best placed to identify which activities will have the greatest impact in both the short and the long term, and the ability to work with others to achieve a high level of innovation in their area.

Five focus areas have been identified:

- Sustainable transport and travel
- Efficient use and production of energy
- Building, refurbishing and constructing with low climate impact
- Conscious consumption and production
- Greenhouse gas capture and sequestration

Eskilstuna is working on the basis of the five focus areas to invest in three parallel work packages in order to create a foundation and commitment for a joint and accelerated climate transition:

Collaboration

The goal is to establish a collaborative arena – Climate Evolution* – that mobilises and facilitates an accelerated climate transition

⁶ The word evolution* with a prefix in front, for example environment or industry, is a communications concept for the brand of Eskilstuna. It works as a way to show what Eskilstuna with Torshälla and the countryside stand for. Evolution happens over time but by using a pun on evolution and saying we do evolution, we mean we don't wait for things to happen, we do them ourselves instead.

Commitment

The goal is to make it possible and attractive for all societal stakeholders to make local commitments towards the climate transition.

Support

The goal is to identify and develop support systems in order to offer accelerated climate transition for different stakeholders within the five focus areas identified.

The strategy for the municipal group's internal climate action is to implement the climate perspective more clearly in regular governance and management. Eskilstuna municipality works with trust-based governance, which means that no detailed action plans are produced at a central level, but committees and corporate boards are themselves responsible for planning and implementing relevant and cost-effective climate measures. A survey of the group's climate impact according to the GHG Protocol (base year 2019) forms the basis for the initiative, together with adopted goals and a reduction rates according to the municipal group's climate plan.

That said, the group's strategy is to expand and formalise the collaboration between different organisations and competences within the group. This increased coordination aims to create a common perception picture of needs and priorities, pave the way for politicians and management to focus on the right issues, support relevant functions in the line and increase climate competences in the group's primary and support processes. Systematic environmental work is used as a complement, a stable foundation for the work of the administrations and companies that provides support and context.

3.3. Organisation and management

The municipal organisation is one of Eskilstuna's many stakeholders, but at the same time it maintains a special position in the climate transition work. The municipal organisation, through its planning monopoly, controls how the climate issue is handled locally in decisions on the use of land and water areas and how the built environment is to be used, developed and preserved. The municipality also has control over how the climate issue is handled within the municipal core mission; that is, public services such as schools, health and social care, crisis management, water, environmental and health protection, waste management, etc.

Eskilstuna municipality's political leadership, the municipal council, initiated the Climate Change Programme and bears overall responsibility for making decisions on goals and focus areas and issuing assignments for continued climate action. Results, analyses and recommendations for prioritisation going forward are reported each year to the municipal board, which is also tasked with ensuring that the work progresses. The municipal group's internal climate action is headed by a Climate Coordination Group that coordinates, analyses and is responsible for reporting to the steering committee and politicians with the help of the available focus area teams. The focus area teams include key individuals from the line, experts or functions with major influence over key processes. The teams have an important part to play in leading and supporting strategic climate action for the group within the specific focus area.

The municipal council made a decision on Strategic Direction 2024–2027⁷ in June 2023. Climate Smart is one of the targeting objectives. A Corporate Development Group (CDG) has now been set up for each targeting objective. CDG Climate Smart, with relevant directors, CEOs and heads of administration, is the steering committee for *Eskilstuna Climate Change Programme and the Municipal Group's Climate Plan*.

The municipality needs to develop conditions for agile and innovative systems together with other stakeholders in order to accelerate the climate transition to the extent required. New forms of organisation need to be developed and are included in the Collaboration work package. The municipal organisation has to provide a support function as part of a joint climate action and is responsible for general coordination, communication and monitoring of the overall results.

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

The three work packages above are formulated with a view to creating an accelerated climate transition in order to achieve the goal of a climate-positive Eskilstuna by 2045. We will achieve this goal by working in collaboration as part of all focus areas and processes.

The consortium that was formed to work on the basis of the three work packages is made up of Eskilstuna municipality, Mälardalen University, Studiefrämjandet and ReTuna (Eskilstuna Energi och Miljö), and all have a part to play in the development and implementation of the work packages. ReTuna brings together stakeholders linked to trade and circularity, Studiefrämjandet brings together adult educators and works with a citizen perspective, and Mälardalen University (MDU) examines the need for support and available research to assist Eskilstuna's stakeholders in succeeding with their climate transition. Eskilstuna municipality leads the process and brings together stakeholders that are linked to the focus areas and the development of a common climate transition arena, and drives engagement through local climate commitments. The local climate commitment will be updated in 2023, and the municipality has adopted an ambition to go from 60 signed organisations to 250 by 2027.

⁷ https://www.eskilstuna.se/download/18.5d5eb9e0188bdc5d1ebc56b/1688038131846/Strategisk%20inriktning%202024-2027.pdf (Swedish)

Together with the twelve organisations⁸ that are behind the consortium's application for the Viable Cities initiative, as well as the 60 or so companies and non-profit associations that to date have signed a declaration of intent for a climate-positive Eskilstuna by 2045, there are good conditions for long-term sustainable cooperation and a broad commitment to an accelerated climate transition that will reinforce local businesses and pave the way for a good life, together with a wealth of stakeholders in Eskilstuna.

A number of meetings have taken place in 2023, and industry clusters have been involved. Linking together a number of different industry clusters in 2024 with the Climate Evolution* collaboration arena and its focus areas creates strong value chains and networks that provide breadth and depth in initiatives involving the five areas of the Climate Change Programme. These networks and dialogues also create a positive breeding ground for joint climate projects and applications that can increase and scale up the impact of the transition.

Example: A number of different industry clusters bring together local businesses and the municipality so that they can work together on local community issues and business development issues. Länsbildningsförbundet (the County Education Association) brings together all the county's study associations, libraries, folk high schools and the Swedish Sports Confederation. MDU and its collaboration platforms, together with industry and public stakeholders, are driving collaboration in respect of the skills, technologies, innovation and production of the future. The Energy Evolution Centre brings together entrepreneurs, researchers, businesses, property owners and public sector organisations to trial and develop innovative solutions leading to a real energy transition, greater competitiveness among companies and a secure supply of skills.

The municipality intends to:

- Arrange and facilitate the Climate Evolution* arena as a meeting venue and collaboration platform for industry clusters and associations wishing to contribute to climate-smart solutions linked to the five focus areas in the climate plan.
- Create and coordinate activities and projects in all five focus areas in order to drive a climate-smart transition with the ambition of achieving a climate-positive Eskilstuna by 2045.
- Explore the role of municipalities in energy communities as part of the Municipal Energy Communities project.

⁸ ATEA, Mälardalen Industrial Technology Center (MITC), Berglunds Åkeri, Länsbildningsförbundet, AGRO Sörmland, PEAB, Destination Eskilstuna, Mälarstaden Asset Management, Regio Fastighets AB, Mälarplast AB, Affärsplan Eskilstuna and the Energy Evolution Centre.

3.5. Climate investment plan

The economic module of the ClimateOS tool has been tested for a number of transition elements in 2023 in order to provide a foundation for climate investments. This module is similar to the tool used in Viable Cities. Eskilstuna's ambition in 2023 has been to identify what boundaries are needed and the level at which the Climate Investment Plan needs to be in order to contribute anything useful to climate action. This work will be continuing in 2024 and will be concretised as part of the *City Journey* project, which will be conducted together with the City of Helsingborg, Afry and Climate View. The project granted funding by Viable Cities breaks down the city's climate goals into the need for attributes and activities in order to achieve the climate goals, and a climate investment plan is devised for selected attributes and/or activities.

Climate calculations in decision data for investments in the municipality's own business premises will be tested and evaluated as part of a pilot project in 2024.

The Eskilstuna municipal group works according to a category management model in which the strategically prioritised procurement categories are managed on the basis of a holistic approach which includes both economic and climate goals together with user needs, the maturity of the market and other factors. Carbon calculations and environmental analysis from a climate perspective are key inputs for the work of the category team and also capture climate impact from the agreements and categories with the greatest economic turnover. The municipal group's consumption-based emissions are monitored from a climate perspective by means of spend data and the procurement authority's climate templates for various categories. These templates have not been corrected for inflation, and so the analyses are very uncertain.

The municipality intends to:

- Implement the City Journey project
- Conduct a pilot project that focuses on climate calculations in the investment process in respect of the municipality's own business premises in 2024.
- Enhance the data and methodology for managing climate goals more clearly in the category management work.

3.6. Digital support for implementation

Eskilstuna municipality adopted a digital transformation programme in 2020. This programme places great emphasis on *Smart and Personalised Welfare* and *Digital Sustainable City and Rural Areas*. Eskilstuna is laying the foundation for a smart city with a digitally sustainable city and rural areas. A common IT architecture and digital infrastructure linking Eskilstuna with other cities and regions, increases and utilises the

flow of data in urban and rural areas. An IoT platform has been procured that should be able to collect external data and data from sensors, process it and communicate with the organisations. Digital Twin and Digital Keys are examples of projects in Eskilstuna municipality in respect of digitalisation.

When it comes to digital support for the climate transition, Eskilstuna municipality is working with two main strands: the municipal group's own environmental data, and facilitating climate commitments in the Climate Change Programme.

Knowledge of the state of the environment via various indicators and monitoring of the work on the issues taking place within the municipal organisation is needed if Eskilstuna municipality is to be able to conduct effective and strategic work on environmental issues. The municipality worked across the group in 2023 to analyse the needs of a digital service that aims to adopt a holistic approach to the collection and monitoring of climate data in a manner that is as quality-assured and efficient as possible. The ambition is for the data to be open and accessible to other stakeholders and to enable data analysis and visualisation.

Eskilstuna municipality's local climate commitment uses the opportunities offered by digitalisation to make it as easy as possible for as many people as possible to adopt climate commitments leading to actual emission reductions and climate transition. These commitments provide a foundation for monitoring the potential of the overall commitments to achieve the climate goal, identifying the support needed and highlighting stakeholders and good examples as a way of inspiring others to do the same.

The municipality intends to:

- Develop methods that make it easy for different kinds of stakeholders to make climate commitments digitally, leading to a climate-positive Eskilstuna by 2045.
- Automate the gathering of climate data for the municipal group and assure its quality.

3.7. Innovation hub for climate neutral municipalities

As part of its work on the Climate Change Programme, Eskilstuna municipality is working in broad cooperation with various stakeholders in Eskilstuna on testing, developing and implementing climate solutions on the basis of the five focus areas. The goal here is to establish a collaboration platform for innovative, inspiring meetings and collaborations that link and complement existing support functions.

Besides Viable Cities, Eskilstuna municipality is involved in the following regional, national and international innovation collaborations and networks: the Klimatkommunerna association, the National Association of Swedish Eco-municipalities, ICLEI, Fyra Mälarstäders samverkan kring klimat and the County Administrative Board's Environment and Climate Council.

Eskilstuna municipality is involved in a number of innovative projects. The national centre of excellence known as Resilienta energisystem (Resilient Energy Systems, RESILIENT), coordinated by Mälardalen University, is one such example. The aim of Resilient is to provide new research-based knowledge, tools and practices that adopt a systems perspective for secure and efficient energy supply in sustainable, fossil-free energy systems. More than 40 different collaborative partners from industry, the academic community and public stakeholders are involved in this centre of excellence, and Eskilstuna municipality is involved in a project, ELOGE, which is looking at regional scenario analyses of electricity and power needs linked to the development of electrified logistics and civil engineering sites in energy-positive and self-balancing cities.

Another example is the Energy Evolution Centre (EEC), which opened in 2022 and is being developed into an arena for innovative solutions that will lead to a real energy transition, greater competitiveness among companies and a long-term secure supply of skills. These initiatives are a key element in the continued work and cooperation between the business sector, the academic community and the municipality.

Eskilstuna municipality is working to develop an attractive and climate-smart business area, Gunnarskäl, where a special sustainability offering and targeting objectives have been devised. This construction project can be deployed as a system demonstrator for climate-neutral construction sites and used to test new and innovative solutions in the planning, procurement, construction and operation phases.

Work on the development of the ReTuna recycling mall has continued in 2023. In 2024, this initiative will continue to explore the site as a national test bed for circular business in order to support small and medium-sized enterprises in their circular transition. The opportunities for construction reuse and other material streams are being explored at the same time.

There is also close cooperation between a number of associations in Eskilstuna, the municipal organisation and the academic community through Climate Hope (Klimathoppmötet) organised in connection with the Knowledge Festival in Eskilstuna.

The municipality intends to:

• Share the experiences generated by these collaborations with other Viable Cities municipalities, other municipalities and other stakeholders via relevant national meeting venues and collaborations, and also through seminars and events organised by the municipality itself.

• Facilitate climate events such as Climate Evolution, Climate Summit, Climate Hope and the Knowledge Festival in order to increase engagement with the business sector and citizens.

3.8. Climate change adaptation

Climate change adaptation is an area requiring cooperation within the municipal organisation. The municipality's crisis management, community planning and climate transition functions need to collaborate, with the common goal of bringing about a society that can cope with the consequences of a changing climate.

Eskilstuna is currently working with climate change adaptation in a number of different areas in the municipal organisation. Cloudbursts have been mapped for the municipality, and this chart is included in the Eskilstuna map. A stormwater policy and plan has been developed for Eskilstuna municipality. The goal of the stormwater policy for stormwater management is that stormwater management should be designed to minimise harm to public and private interests as a result of heavy rain and cloudbursts in a changing climate as far as is reasonable. The climate change adaptation perspective is included in the work on the comprehensive plan and detailed development plans, in the committees' risk and vulnerability analyses and in the municipality's preparedness work.

A systematic effort to deal with heatwaves in the municipality's premises and activities is in progress, which includes adapting preschools, school playgrounds and retirement homes.

The municipality intends to:

- Carry on developing, creating an overview and coordinating its work on climate change adaptation, stormwater and water and sanitation within the group.
- Work in 2024 to investigate and plan cloudburst measures in existing buildings.

3.9. Climate smart mobility

Eskilstuna municipality's Climate Change Programme focuses on five different areas, one of which is *Sustainable transport and travel*. Climate calculations for Eskilstuna indicate that transport is the single biggest area of emissions and includes domestic travel as well as international aviation and shipping. Eskilstuna has good opportunities for sustainable transport. Most of the population of Eskilstuna lives within a five-kilometre radius of a city centre, and there are plenty of opportunities to walk, cycle, travel by bus or train or charge electric vehicles. Eskilstuna Logistics Park and Eskilstuna Intermodal Terminal make it possible for companies to transport goods sustainably by transferring them to rail, for example. The municipal group has a particular part to play in paving the way for fossil-free travel within the geographical location. This is clearly identified in the municipal comprehensive plan and the traffic, cycling and public transport plan. However, the most significant change involves rethinking the ways in which we move around and transport goods between us, both locally and globally.

Eskilstuna municipality's traffic plan maintains a holistic approach to the issue of traffic in Eskilstuna municipality. How traffic should be designed in order to create a sustainable community with good accessibility and in which people feel safe provides a starting point. The aim of the traffic plan is to help make Eskilstuna more attractive and sustainable, as the plan covers all modes of transport. The emphasis is on reducing dependency on cars and increasing the proportion of pedestrians, cyclists and public transport passengers.

Eskilstuna municipality has started working on a more sustainable transport system by working with flexible parking rates with a view to providing more opportunities and scope for sustainable modes of transport instead of cars in the planning process. The municipality's own operations include a transshipment centre that coordinates deliveries to municipal organisations. Initiatives such as box/cargo bikes are available within the organisations in order to streamline transport and reduce our climate footprint. The municipal group is constantly working to convert the vehicle fleet to run on fossil-free fuels, particularly electricity.

The municipality intends to:

- Complete its update of the traffic plan into a TRAMP, Traffic and Mobility Plan.
- Continue investing in infrastructure for sustainable travel and freight transport.
- Review how measurement methods and monitoring models can be developed in the field of sustainable transport and climate-smart mobility.

3.10. Reporting and monitoring

The municipal group's climate action is reported annually to the municipal board and the group's management team. The group's emissions have been surveyed according to the Greenhouse Gas Protocol standard, scopes I to 3. This survey is not followed up annually, but provides a knowledge base for the group's climate action and indicates the distribution between different emission categories and how emissions are distributed between different organisations. More detailed indicators and key figures are developed within each focus area and presented in an annual climate report in order to link climate impact to what is performed, built, purchased or transported. Each committee and corporate board devises its own climate plan, and so initiatives and measures that are in progress and planned are reported as well. An initial comprehensive report on the group's climate action was produced in the spring of 2023 and constituted one of the foundations for the municipality's strategic direction for 2024–2027.

Greenhouse gas emissions per capita in the municipality are monitored in the municipality's annual plan, but the data (SMHI's emissions data) is about two years behind. The official statistics form the basis for the monitoring of the Eskilstuna Climate Change Programme. Results from other tools, surveys and other information on scientific grounds are used to provide a useful view of how work is progressing.

4. Viable Cities' commitments

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

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

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

4.1. Coordination of Climate City Contract 2030

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

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

The coordination function aims to create better opportunities for municipalities and stakeholders to benefit from and manage at a local level the comprehensive policy

packages at EU level that result from the European Green Deal (such as Fit for 55 and the Taxonomy Regulation for sustainable investments).

4.2. Smart policy development

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

4.3. Innovation

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

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

4.4. Coordinated funding

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

- Viable Cities will go on working with the 23 cities and six agencies involved in Climate City Contract 2030 on developing forms of funding linked with this.
- Viable Cities will cooperate with the Swedish Agency for Economic and Regional Growth as the managing authority for the European Regional Development Fund in Sweden and the initiatives earmarked for sustainable urban development with a view to creating synergy with Climate City Contract 2030.

- Viable Cities will be working together with the agencies to develop work on coordinated funding by means of various ongoing initiatives in respect of sustainable urban development: see 5.3 Coordinated funding.
- Viable Cities will be continuing to develop forms of climate investment plans for cities with a view to supporting all cities as part of the Climate Neutral Cities 2030 initiative.

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

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

5. The agencies' commitments

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

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

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

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

5.1. Smart policy development

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

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

5.2. Funding for research, innovation and development

The agencies are funding research, innovation, development and system innovation activities that support more rapid climate transition. The agencies' support is aimed at various types of research, innovation, application and demonstration and, to some extent, investment funding. Funding is provided through open calls for proposals and other forms such as, for example, client networks, stakeholder networks and innovation procurement⁹.

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

5.3. Coordinated funding

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

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

⁹ See <u>pressannouncement from the Swedish Internet Foundation</u> (Swedish)

Hållbarstad.se is the joint website of the Sustainable Cities Council. Here, the agencies have undertaken to regularly publish information on funding opportunities and calls for proposals, as well as collective knowledge support from all participating agencies involved in the Sustainable Cities Council¹⁰.

5.4. Participation in European sustainable cities initiatives

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

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

The agencies are continuing to participate in the Driving Urban Transitions to a Sustainable Future partnership, where calls for proposals and other activities in respect of sustainable urban development will be of relevance in the next few years, as well as the European Commission's "New European Bauhaus" initiative,¹¹ European Urban Initiative (EUI)¹² and Urbact¹³.

The agencies are also helping to develop support functions for the cities selected for the 100 Climate Neutral Cities mission. One example is the "CapaCITIES" programme¹⁴. CapaCITIES is being used to initiate and reinforce national change processes in order to establish national networks and governance structures.

¹⁰ The Swedish National Board of Housing, Building and Planning, the Swedish Energy Agency, the Public Health Agency, Formas, the county boards, the Swedish Agency for Participation, the Swedish Environmental Protection Agency, the Swedish National Heritage Board, ArkDes (the Sweden's national museum for architecture and design) the Public Art Agency Sweden, the Swedish Association of Local Authorities and Regions, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration och Vinnova.

¹¹ New European Bauhaus highlights the importance of aesthetic, social and cultural assets in the green transition.

¹² The European Urban Initiative is a hub for sustainable urban development at EU level. The EUI aims to offer support to cities to improve and increase their capacity when it comes to formulating sustainable urban development strategies, policies and projects. (urban-initiative.eu)

¹³ Urbact is a European cooperation programme for exchange and learning in the field of sustainable urban development, Swedish Agency for Economic and Regional Growth.

¹⁴ The Swedish Energy Agency and Viable Cities are participating.

6. Strategic development projects for 2024

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

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

6.1. Governance

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

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

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

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

6.2. Climate investment plans

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

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

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

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

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

6.3. Competitiveness through transition

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

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

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

6.4. Citizen engagement

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

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

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

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

6.5. System demonstrators

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

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

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

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

6.6. Climate Neutral Cities 2030 mission on an international level

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

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

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

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

7. Joint efforts on monitoring, evaluation and updating

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

7.1. Key updates for the municipality

- A GHG survey aimed at identifying the structure of emissions in each administration and municipally owned company in the municipal group was conducted in 2022. In 2023, each administration and company has developed its own Climate Plan in order to reduce its own negative climate impact and increase its positive climate impact.
- The municipality's four-year strategic direction for 2024–2027 has been adopted by the municipal council in 2023, and Climate Smart is one of the seven strategic goals prioritised. A Group Development Group has been formed in order to ensure that the strategic goal is achieved.
- Work on developing an energy plan for Eskilstuna municipality has begun in 2023. A local forward-looking perspective with forecasts and scenarios presents a challenge. This work has now been put on hold pending the government inquiry into the Municipal Energy Planning Act.
- A new process manager and resource for external applications has been appointed during the year.
- A new local climate commitment will be launched in December 2023, with commitments linked to the focus areas and with the ambition of achieving 250 signed stakeholders by 2027.
- Preparation of a report in order to survey challenges and opportunities in building and construction between different cities as part of Viable Cities: the reality and challenges of climate-neutral cities.
- The organisation of internal climate action with five focus area teams with experts from administrations and companies and a coordination group is now well established. Collaboration and improved communication within the group's operations are the strengths of the organisation, together with consensus and collective upskilling within the teams. There are also a lot of initiatives ongoing within each focus area, involving various external stakeholders. See examples:
 - Sustainable transport and travel



- The transport cluster comprising local haulage companies is working to create a common voice for the industry's climate transition at a local level and was presented with the municipality's environmental award for its work.
- The transition to electrified cars in the municipality has generated significant savings for the organisations in terms of fuel costs and time.
- Efficient use and production of energy
 - A heat recovery initiative is taking place in order to explore how heat-intensive companies can be connected to the district heating network.
 - The Energy Staircase energy efficiency tool is being used to help companies reduce their energy consumption.
- Building, refurbishing and constructing with low climate impact
 - Skills-enhancing efforts are in progress in the municipality in order to plan, design and procure building and construction projects with low climate impact.
 - A new climate-neutral business area, Gunnarskäl, where new approaches and methods can be tested is currently being planned.
- Conscious consumption and production
 - A group linked to trade, spearheaded by the circular trading venue ReTuna Recycling Mall, is working on how trade can help bring about the climate transition as part of its "Shop sustainably for Eskilstuna" initiative.
 - Dialogues have been initiated with external stakeholders in order to examine opportunities and interest in respect of building reuse in Eskilstuna.
- Greenhouse gas capture and sequestration
 - Various initiatives are working on investigating opportunities for carbon sequestration in biochar and opportunities for rewetting of peatland.

7.2. Most urgent experiences for the municipality to share

 A political commitment of additional climate funding in the budget was established in 2022 in order to support the municipality's administrations in their implementation of climate measures. This climate funding has been crucial for implementing climate initiatives and accelerating the pace of the transition. The following projects have received climate funding in 2023:



- Pilot project for cargo bike deliveries¹⁵ at the municipality's transshipment centre,
- Fast track for energy streamlining in municipal operations,
- · Pilot project involving electric scooters in health and social care,
- Development of CirkuLäran (CircuLearning) to include primary, lower secondary and upper secondary schools,
- Balsta allé planting measures,
- Roadmap for the purchase of climate-neutral food,
- Investigation of options for rewetting of peatlands,
- Development of climate spend analysis (with provider),
- Building reuse depot in Eskilstuna implementation project,
- Cirkulär Beställare (Circular Client) skills-enhancing initiative,
- Building and construction adult education initiative,
- Skogens värde (The Value of Forests) study
- An internal full-day conference, a Climate Summit, brought together some 85 people with influence over the group's climate action ahead of the launch of the budget and the writing of the first Climate Report for the group. This conference, which included thirteen different climate cases to solve, a "bragging contest" and an exhibition of the organisations' climate plans, was highly appreciated and the conference will take place annually from now on.
- The Energy Staircase, a successful model for working with energy-smarter companies, has been devised and tested by companies in cooperation with EEC, Eskilstuna municipality's energy and climate advisory service and the Mälardalen Energy Office¹⁶.
- As part of the municipal group's energy efficiency initiative, the long-term work on Upgrading with Energy Focus (Upprustning med energifokus, UPMEF) is continuing to produce good results¹⁷.
- Selected ongoing energy-related projects include a review of energy use in kitchens, battery storage at the ice rink and an innovative energy community as part of a new building project.
- The municipal vehicle unit has been transformed into a transport unit. The transport unit is supporting the municipality's organisations in identifying efficient transport solutions by maintaining a holistic approach to transport. One example is the

¹⁵ <u>https://press.newsmachine.com/pressrelease/view/nu-testas-godstransport-pa-cykel-i-eskilstuna-kommun-40081</u> (Swedish)

¹⁶ https://www.energyevolutioncenter.se/verksamheten/energitrappan/ (Swedish)

¹⁷ https://www.energyevolutioncenter.se/godaexempel/andra-goda-exemplet/(Swedish)

rapid ongoing electrification of the municipality's cars, which is both reducing the purchase of fossil fuels and saving time for the organisations as they do not have to go anywhere to refuel their vehicles.

• The group is working with category-based purchasing where three key perspectives have been identified: potential climate benefits, potential savings, potential local tenders. Civil engineering contracts, building contracts, foods, and textiles and workwear are all categories that have been dealt with in 2023. The furniture and fittings category has previously improved conditions for increased reuse and enhanced focus on such reuse.

7.3. Key updates for Viable Cities

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

7.3.1 The Climate City Contract process

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

7.3.2 Strategic efforts prior to new programme phase

Scaling up relevant initiatives in various ways for greater impact and to increase the pace of transition is a crucial element in Viable Cities' work going forward. It is

also clear that further work needs to be done in a situation in which multiple crises coincide with the climate crisis. Extensive strategy work took place during the year in preparation for the next multi-year phase of the programme. In October, Viable Cities submitted an application to become one of the programmes under the new, mission-oriented Impact Innovation programme. In parallel, documentation is being submitted for the next phase as a strategic innovation programme in which an evaluation of the first six years of the programme has been completed. In various ways, Viable Cities has also provided input for the Government's forthcoming climate policy action plan and the forthcoming research and innovation bill and contributed to SALAR's planning¹⁸ of how municipalities and regions can improve and intensify their efforts on climate change adaptation and reduced climate impact.

7.3.3 Strategic upscaling and acceleration initiatives

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

7.3.4 International alliances in respect of the mission

Efforts to mobilise cities and countries in respect of the mission, in which Viable Cities is involved in a number of ways (e.g. NetZeroCities, Driving Urban Transitions, CapaCITIES, Urban Transitions Mission), are continuing. An evaluation commissioned

¹⁸ Fair and sustainable transition for the climate - Proposal from SKR's program preparation for sustainable transition, SALAR, September 2023 (Swedish)

by the European Commission of the EU's work on the five missions¹⁹ was published during the year. This concludes that the Climate-Neutral and Smart Cities 2030 mission (Cities Mission) has already achieved significant mobilisation to step up the pace of climate transition in cities. The evaluators highlight the fact that establishment of the Cities Mission was an important and timely initiative in order to address the "implementation gap" and the systemic challenges that individual cities' climate efforts could never handle alone.

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

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

7.4. Key updates for the government agencies

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

¹⁹ Alasdair Reid et al. Study supporting the assessment of EU Missions and the review of mission areas – Mission areas review report. 10.2777/61143, European Commission, 2023

7.4.1 Smart policy development

In 2023, a number of joint workshops with Climate City Contract municipalities and Climate City Contract agencies were organised so that development of more appropriate regulatory frameworks and other instruments could begin. Four challenge areas were identified, and these were mapped and investigated further with a view to making decisions to launch a number of "policy labs" in one or more of the areas identified. Representatives from the agencies continued working between the workshops, processing the data that emerged and planning for future work. All the work involved forms of exploration and learning, with everyone involved.

7.4.2 System demonstrators

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

7.4.3 Local portfolio analyses

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

7.4.4 Greater collaboration between agencies

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

7.4.5 Climate City Contracts as a governance model

Developments in climate transition governance, both at local level and between local, national and even EU level, are fundamental criteria for broader mobilisation and more effective systemic changes. In 2023, collaboration between agencies – with analytical support by Vinnova – focused on governance issues in particular A strategic analysis project entitled "Klimatomställning av städer – en svensk modell för att öka takten i omställning" (Climate transition of cities – a Swedish model to increase the pace of transition) was conducted in close cooperation with Viable Cities, and with the active participation of both the agencies and the cities. From an operational perspective, it has been possible to devise the term "governance" for climate transition on the basis of practical experience from the last two decades. Governance is used when an authority needs to go beyond what it can directly control in order to realise a goal, which also involves systemic shifts from piecemeal operations to a holistic approach to public administration. In governance, the authority collaborates with the business sector, civil society and the academic community.

9. The contract

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





Climate City Contract 2030

Betweeen Eskilstuna municipality, the Swedish Energy Agency, Vinnova, Formas, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration, the Swedish Environmental Protection Agency and Viable Cities.

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

Jimmy Jansson Mayor, Eskilstuna municipality

Robert Andrén Director General, Olga Kordas Programme Director, Viable Cities

the Swedish Energy Agency

Darja Isaksson Director General, Vinnova

Johan Kuylenstierna Director General, Formas

_____ **Roberto Maiorana**

Director General, the Swedish Transport Administration

Elisabeth Backteman Director General, the Swedish Agency for Economic and Regional Growth

Björn Risinger Director General, the Swedish Environmental **Protection Agency**











Appendix 1 - Links to documents

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

- Climate program Eskilstuna Eskilstuna municipality
- Eskilstuna Vision 2030
- Eskilstuna Agenda 2030.pdf
- <u>Climate plan for the Eskilstuna municipal group</u>
- Overview plan for Eskilstuna municipality
- Eskilstuna's program for digital transformation