

Climate City Contract 2030

Between Nacka 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.

VERSION 2023



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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:

- Nacka 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

Nacka municipality has to intensify its efforts to halt rising average temperatures and reduce its impact on the environment as well. Urban development taking place in Nacka must provide leverage for the transition to a more climate-smart society. One element of this work is our participation in Viable Cities – Climate-Neutral Cities 2.0, which is based on Nacka city centre. This project is designated Climate-Neutral Nacka 2030. Nacka municipality intends to:

- use, further develop and distribute insights from the Climate-Neutral Nacka 2030 initiative to others, both within and outside the municipality

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.



- identify and develop the municipality's working methods and ability to adapt in order to achieve the climate goals
- go on working with the business sector and other partners in order to think along new, climate-smart lines for ongoing urban development
- make it easier for the people of Nacka to make climate-smart choices on a daily basis and work to ensure that Nacka residents are involved in efforts to transition to a climate-neutral Nacka.
- work to further develop climate action within organisations and increase awareness and understanding within the municipal group of what produces climate emissions and what the organisations can do to reduce their climate impact.
- ensure that fossil fuels are phased out entirely in their own operations.
- implement land allocation for construction of housing where the lowest climate impact, in terms of both construction and operation, will be crucial.
- clarify the governance of the municipality's long-term environmental and climate action and assist in the attainment of the goals in our policy documents.

3.1. Municipal climate goals

Nacka municipality adopted a local environmental programme in 2016, with indicators and target levels so that development of the municipality's environmental goals up to 2030 could be monitored. In June, the municipal board instructed the Director of Climate and Environment to prepare a new climate and environment programme to replace the current environment programme 2016–2030. This assignment involves producing a climate and environment programme in which the goals and associated indicators are reviewed and, where necessary, adjusted given the actual impact on climate and the environment. Moreover, Nacka will select and prioritise the most important areas within each goal in order to achieve maximum impact. The goals must be measurable, if possible, and clarify how the environmental and climate goals are interlinked with Nacka's overall goals, the 2030 Agenda, the carbon budget and other policy documents.

3.2. Strategy

Goals and Budget is the municipality's primary policy document. Goals and Budget for 2023–2025 indicates that Nacka is aiming to achieve strong, green growth sustainable in the long term. Nacka municipality has to intensify its efforts to halt rising average temperatures and reduce its impact on the environment as well. Urban development taking place in Nacka must provide leverage for the transition to a more climate-smart society. Besides Goals and Budget, there are a number of other policy documents such as the Environmental Programme, the Nacka Comprehensive Plan



and the Strategy for Environmental and Climate Ambitions in Urban Development, all of which are contributing to the municipality's long-term efforts.

3.3. Organisation and management

In 2020, the municipal council made a decision on the implementation of the 2030 Agenda. All committees, units and municipal companies are to be involved in efforts to fulfil the goals and create a Nacka that is sustainable in the long term. The municipal board bears overall responsibility for the municipality's environmental and climate action. Decisions on matters relating to the municipality's overall environmental and climate action are made for the most part by the municipal board's environment committee, which has had a clearer and reinforced remit since the start of the year. The staffing structure has also been adjusted in 2023 to meet the enhanced environmental and climate ambitions. A new unit for strategic climate and environmental work has been formed, tasked with leading the municipality's overall climate and environmental efforts.

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

New partnerships and innovations are needed to achieve the goals relating to a fossil-free, climate-neutral Nacka. The municipality wishes to pave the way for collaboration with the business sector, the academic community and citizens. Working together with construction stakeholders at *Centrala Nacka marknadsbolag AB*, the municipality has developed the Naturban concept, which is working towards the vision of *Proximity and naturban, where nature meets the urban in new ways, allowing both to thrive together*. The goal is to achieve sustainable development and pave the way for quality of life and growing power in Sweden's first naturban district, close to everything people need.

The municipality is participating in a variety of networks in order to step up its efforts towards the climate transition: these include the Stockholm Green Innovation District and membership of networks together with the local business sector. The municipality's participation in Viable Cities and the Climate-Neutral Cities 2.0 initiative presents another forum for collaboration. Together with the *Climate-Neutral Nacka 2030* project consortium, the municipality is aiming to explore and analyse how the urban development process can be organised and managed in order to pave the way for sustainable urban development. Another goal is to develop and implement effective new ways of working. This should assist with development of smart solutions that will help make it easier for Nacka residents to make climate-smart choices on a daily basis.

Municipality-owned company Nacka vatten och avfall AB is working actively with residents to reduce waste volumes. The municipality's Energy and Climate Advisory



Service provides information and advice to residents, businesses and housing associations on how they can help reduce their climate impact. There is a need to develop contact with Nacka residents so that the municipality can make it easier for Nacka residents to make climate-smart choices on a daily basis and enhance awareness among citizens.

3.5. Climate investment plan

Measures and initiatives need to be considered from an economic standpoint as well for the governance of climate and environmental issues to be clear and effective. For the Climate Investment Plan to provide a tool for the transition work being done throughout the municipality, the municipality is intending to test the option of linking it to efforts on the new climate and environment programme. The aim of this is to clarify any investment needed in order to achieve defined goals. Parallel efforts are being made to develop and refine the municipality's work with green bonds.

3.6. Digital support for implementation

The municipality is currently monitoring the development of local environmental goals through Miljöbarometern (the Environmental Barometer)², which allows each indicator to be monitored over time. The municipality is also intending to compile and visualise other environmental and climate-related developments through the Environmental Barometer in order to coordinate the work more clearly. A digital carbon budget³ has been developed that visualises the municipality's emission levels and the reduction in emissions required in order to comply with the Paris Agreement.

A 2030 Agenda module has been implemented in Stratsys, the municipality's performance management tool, for planning and monitoring sustainability efforts. The Jämföraren digital tool assists Nacka residents when it comes to selecting different organisers. This tool displays various quality metrics. Environment and sustainability must be added as a parameter in order to clarify the organisers' efforts in respect of sustainability and the environment.

3.7. Innovation hub for climate neutral municipalities

We are facing major challenges when it comes to the environment and climate. Nacka's intention is to disseminate innovative ideas in respect of working methods and smart solutions by means of collaboration and active working with other stakeholders. The extensive urban development taking place in Nacka provides opportunities to trial new and innovative solutions. Organisations and companies that are driving the climate transition are invited to participate in the transition process. Nacka municipality wishes to play an active part in creating various innovation hubs.

² <https://nacka.miljobarometern.se/> (Swedish)

³ <https://www.climatevisualizer.com/nacka> (Swedish)



Our joint efforts through Viable Cities, on the basis of Central Nacka, is one such innovation hub for municipalities wishing to accelerate the pace of their climate transition. Another is the partnership within the Stockholm Green Innovation District, which is focusing on urban development in the Sickla area.

3.8. Climate change adaptation

The municipal council adopted a climate change adaptation programme in May 2022 in order to reduce the impact of a changing climate and develop Nacka's proactive and systematic climate change adaptation efforts. This programme provides a comprehensive view of the risks associated with a changing climate in Nacka municipality, and includes priority measures linked with risks involving cloudbursts, heat, sea level rise and biodiversity, which are currently deemed to be the greatest climate-related risks for the community in Nacka. One of the measures involves indicating in the comprehensive planning (the comprehensive plan) locations that can be used as multifunctional floodplains for planned and existing settlements. The programme also reinforces systematic efforts on climate change adaptation in the municipality; the ambition is for all planning and implementation to include adaptation to the climate of the future.

3.9. Climate smart mobility

Making travel more sustainable is one of the key actions required to achieve the goals of the environment programme. Nacka municipality's accessibility strategy states that the municipality has to have a traffic system where all types of vehicles are coordinated in sustainable manner that works well. One of the municipality's biggest mobility initiatives involves the extension of the metro to Nacka, with a connecting bus terminal and new hubs. The growing population and increased pressure on the transport system mean that the municipality needs to adopt a comprehensive approach to the development of both a sustainable system and initiatives promoting behavioural change. Nacka municipality has adopted a new cycling strategy during the year with a view to gathering together the municipality's enhanced ambitions in respect of issues related to cycling. The goals are for 20 per cent of all journeys to be made by bicycle by 2030, and for 25 per cent of work trips to be made entirely or partly by bicycle by 2030.

In central Nacka, work is in progress on developing strategies linked to car parking and complementary mobility and services to assist with climate-smart travel.

3.10. Reporting and monitoring

The environmental goal indicators are followed up by the municipal board each year and presented in the municipality's annual report. These indicators are evaluated each year and can be revised if necessary. A 2030 Agenda module has been implemented in Stratsys, the municipality's performance management tool, for



planning and monitoring sustainability efforts. Reporting of work done as part of the Climate-Neutral Nacka 2030 initiative is planned to take place annually by means of a progress report submitted to the municipal board.

Work has begun in 2022 on surveying Nacka municipality's climate impact from its own operations, in accordance with the methodology set out in the Greenhouse Gas Protocol (GHG Protocol). The municipality's intention with this survey is to obtain a better overview of all the municipality's emissions and to identify which measures the municipality will need to focus on going forward in order to achieve set climate goals. The survey provides an important foundation for efforts on a new climate and environment programme.

4. Viable Cities' commitments

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

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

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

4.1. Coordination of Climate City Contract 2030

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

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



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

4.2. Smart policy development

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

4.3. Innovation

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

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

4.4. Coordinated funding

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

- Viable Cities will go on working with the 23 cities and six agencies involved in Climate City Contract 2030 on developing forms of funding linked with this.
- Viable Cities will cooperate with the Swedish Agency for Economic and Regional Growth as the managing authority for the European Regional Development Fund



in Sweden and the initiatives earmarked for sustainable urban development with a view to creating synergy with Climate City Contract 2030.

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

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

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

5. The agencies' commitments

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

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

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



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

5.1. Smart policy development

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

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

5.2. Funding for research, innovation and development

The agencies are funding research, innovation, development and system innovation activities that support more rapid climate transition. The agencies' support is aimed at various types of research, innovation, application and demonstration and, to some extent, investment funding. Funding is provided through open calls for proposals and other forms such as, for example, client networks, stakeholder networks and innovation procurement⁴.

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

⁴ See [pressannouncement from the Swedish Internet Foundation](#) (Swedish)



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.

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 Council⁵.

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,⁶ European Urban Initiative (EUI)⁷ and Urbact⁸.

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" programme⁹. CapaCITIES is being used to initiate and reinforce national change processes in order to establish national networks and governance structures.

⁵ 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.

⁶ New European Bauhaus highlights the importance of aesthetic, social and cultural assets in the green transition.

⁷ 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)

⁸ Urbact is a European cooperation programme for exchange and learning in the field of sustainable urban development, Swedish Agency for Economic and Regional Growth.

⁹ 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

- Nacka municipality has focused more clearly on climate and environmental issues in political terms over the past year. The municipal board's environment committee's remit has been clarified, and a Director of Climate and Environment has been appointed.
- Nacka municipality has reorganised its staffing structure, so there is now a unit for strategic climate and environmental work. This unit is tasked with running and monitoring the municipality's overall climate and environmental work.
- Nacka municipality is aiming to develop a new climate and environment programme.
- The efforts towards a new comprehensive plan for Nacka municipality have defined one of the five core values as "climate-smart and robust", thereby setting out a clear position for further development.
- The efforts towards a new framework for green bonds has highlighted what else the municipality is capable of doing to reinforce itself as an attractive municipality for green investments.
- Over the past year, Nacka has organised itself to work with the Climate-Neutral Cities 2.0 initiative with a view to learning, developing and trialling new working methods that contribute to sustainable solutions in ongoing urban development, which in turn are assisting with the development of a climate-neutral Nacka.

7.2. Most urgent experiences for the municipality to share

The municipality's planning process has been studied with the help of researchers from KTH Royal Institute of Technology, and a number of challenges have been identified. The results indicate the importance of developing a holistic approach, which requires new working methods in order to accelerate the transition. The transition needs to be expressed physically, but it also requires innovation, lifestyle changes and new forms of funding. Climate and sustainability issues require greater cooperation and coordination by the municipality within and between different planning levels, such as comprehensive strategic planning and detailed planning, so that conflicting objectives can be managed and potential synergies can be identified.



New working methods will be trialled over the next six months, which will result in a development proposal for Central Nacka.

Nacka developed a working methodology in 2019 for managing environmental and climate aspects in urban development projects. This methodology has now been complemented by social sustainability aspects in the development of the Naturban concept. The aim of this methodology is to raise the level of ambition of urban development projects in respect of these areas. The work process means that sustainability aspects will be introduced earlier in the projects and become part of the work, and that they will be monitored and reported.

Nacka is participating in the development of a climate calculation tool for use in planning; from comprehensive planning to early detailed planning stages. This tool may help the municipality to understand the climate impact of various choices, such as the impact resulting from building new homes in locations close to public transport, rather than in locations requiring travel by car.

Nacka is part of a collaborative project involving Skanska, Nacka Energi, Volvo and Bellmans åkeri. These stakeholders are jointly running a pilot in order to test an electric lorry that is charged by means of a portable charger. This lorry is being used as part of a major construction project in the municipality.

A number of construction stakeholders active in the municipality have jointly produced a document that illustrates key aspects of land allocations in order to steer towards reduced climate impact. The input is being used in the preparation of the municipality's forthcoming land allocation, where the lowest climate impact from construction and operation will be paramount.

The municipality, working in collaboration with municipal and private companies, has made industrial land and land in public spaces available to operators on the open market, which has given many of the municipality's residents access to public charging.

The municipality's waste management company and a company by the name of Tiptapp have run a pilot project together that enhances services offered to Nacka residents while also ensuring correct sorting of waste. This project will now make the transition to becoming a permanent service for Nacka residents.

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 planning¹⁰ of how municipalities and regions can improve and intensify their efforts on climate change adaptation and reduced climate impact.

¹⁰ Fair and sustainable transition for the climate - Proposal from SKR's program preparation for sustainable transition, SALAR, September 2023 (Swedish)



7.3.3 Strategic upscaling and acceleration initiatives

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

7.3.4 International alliances in respect of the mission

Efforts to mobilise cities and countries in respect of the mission, in which Viable Cities is involved in a number of ways (e.g. NetZeroCities, Driving Urban Transitions, CapaCITIES, Urban Transitions Mission), are continuing. An evaluation commissioned by the European Commission of the EU's work on the five missions¹¹ 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

¹¹ 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



benefit many more cities as they make their transitions. Swedish cities have achieved success within the framework of NetZeroCities and been granted funding for a number of initiatives in order to reinforce their climate transition initiatives. Malmö, Uppsala and Umeå, for instance, have received funding as part of the Pilot Cities initiative (totalling around SEK 45 million); and Luleå (matched with Umeå) and Lund are just two of the cities that have been selected and matched with pilot cities under the Twinning initiative, which focuses on learning partners for transition.

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

7.4. Key updates for the government agencies

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

7.4.1 Smart policy development

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

7.4.2 System demonstrators

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



only to the same two cities that were awarded funding for System Demonstrators for Climate Neutral Cities – Planning Phase.

7.4.3 Local portfolio analyses

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

7.4.4 Greater collaboration between agencies

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

7.4.5 Climate City Contracts as a governance model

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



9. The contract

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

Climate City Contract 2030

Between Nacka 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.

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Appendix 1 – Links to documents

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

- Goals and budget: [2024–2026 \(nacka.se\)](#)
- Nacka’s environmental program: [Nacka municipality’s environmental goals 2021](#)
- Overview plan: [oversiktsplan-hogupplost.pdf \(nacka.se\)](#)